INDEPENDENT AUDITOR'S REPORT

To The Members of Koppal Toys Molding COE Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Koppal Toys Molding COE Private Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended, and notes to the financial statement including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified U/s 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Responsibilities of Management for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) Planning the scope of our audit work and in evaluating the results of our work; and
(ii) To evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure – A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion except for the matters stated in the paragraph 2(g)(vi) below on reporting under Rule 11(g), of the Companies (Audit and Auditors) Rules, 2014, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS as specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Sec. 164(2) of the Act.

   f. Reporting on adequacy of Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls under section 143(3)(i) is not applicable to the Company vide exemption Notification G.S.R.583(E) dated 13.06.2017.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position

      ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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iv.

a. The management has represented that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented, that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid dividends during the year under review, and hence reporting on compliance with section 123 of the Companies Act, 2013 is not applicable.

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vi. Based on our examination carried out in accordance with the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, (Revised 2024 Edition) issued by ICAI, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

a. at the database level to log any direct data changes,
b. at the application level for certain fields / tables relating to all the significant financial processes,
c. for certain changes at the application level which were performed by users having privileged access rights.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For M/s. K G Acharya & Co.,

Chartered Accountants
FRN 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Bangalore
11/08/25

Chirag Aggarwal
Partner
M. No. 243971

UDIN: 25243971BMHZAM9697

'Annexure – A' to the Independent Auditor's Report of even date on the Financial Statements of Koppal Toys Molding COE Private Limited.

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

i.

(a) (A) The company has maintained reasonable records showing full particulars including quantative details and situation of property, plant & Equipment

(B) The company does not own any Intangible Assets and therefore Paragraph 3(i)(a)(B) of the order is not applicable.

(b) The Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies has been noticed on such verification.

(c) The company does not have any immovable property (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the order is not applicable.

(d) The company has not revalued its Property, Plant and Equipment and intangible assets during the year and therefore Paragraph 3(i)(d) of the order is not applicable.

(e) Based on our audit procedures, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

(a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed at the time of verification.

(b) The Company has not been sanctioned with working capital limits in excess of Rs. 5 Crore, in aggregate, at any point of time of the year, from banks / financial institutions on the basis of security of current assets and therefore Paragraph 3(ii)(b) of the order is not applicable to the company.

iii.

During the year, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and therefore Paragraph 3(iii) of the order is not applicable to the company.

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iv.

The company has not given any loans / investments / guarantees to which the provisions of section 185 and section 186 of the Act apply.

v.

The company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of the order is not applicable to the company.

vi.

The central government has not prescribed maintenance of cost records u/s 148(1) of the Act for any of the products / services of the company. Thus paragraph 3(vi) of the order is not applicable to the company

vii.

(a) Undisputed statutory dues including Goods and Services Tax, PF, ESI, income-tax, sales-tax, service tax, duty of custom, duty of excise, VAT, Cess have been regularly deposited with the appropriate authorities.

(b) There are no statutory dues referred to in (a) above which have not been deposited on account of any dispute.

viii.

Based on our audit procedures, there were no instances of transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix.

(a) We are of the opinion that the company has not defaulted in repayment of loans or other borrowings and in payment of interest thereon to any lender.

(b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The company has not availed any term loans and therefore paragraph 3(ix)(c) of the order is not applicable to the company.

(d) On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) On an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans any during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore paragraph 3(ix)(f) of the order is not applicable to the company.

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x.

(a) The Company is a Private Limited company, and the provisions of Initial Public Offer or Further Public Offer are not applicable to it. Paragraph 3(x)(a) of the order is therefore not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or Convertible Debentures during the year and therefore Paragraph 3(x)(b) of the Order is not applicable to the Company.

xi.

(a) Based upon the audit procedures performed, we report that no fraud by the company or no fraud on the Company has been noticed or reported during the course of our audit and therefore Paragraph 3(xi)(a) of the Order is not applicable to the Company.

(b) As represented to us by the management, there were no whistle blower complaints received by the company during the year.

xii.

The company is not a Nidhi Co. and therefore Paragraph 3(xii) of CARO is not applicable to the company.

xiii.

All the Related Party Transactions entered into by the Company during the year are in compliance with the provisions Section 188 of the Act and the details thereof have been disclosed in the Financial Statements as required by the Indian Accounting standard 24 "Related party disclosures". Further, in our opinion, the provisions of section. 177 of the Act are not Applicable as the Company is a Private Limited Company.

xiv.

In our opinion and based on our examination, the company does not have an internal audit system as it is not required to have an internal audit system as per provisions of the Companies Act 2013.

xv.

The Company has not entered into any non-cash transactions with directors or persons connected with him as stipulated u/s. 192 of the Act. Paragraph 3(xv) of the Order is therefore not applicable to the Company.

xvi.

(a) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. Paragraph 3(xvi)(a) of the Order is therefore not applicable to the Company.

(b) Based on our Audit procedures, we are of the opinion that the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of Indian Act, 1934.

(c) Based on our audit procedures, we are of the opinion that company is a not core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Para 3(xvi) (c) and (d) of the Order is therefore not applicable to the Company.

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xvii.

The company has incurred cash losses during the financial year of Rs. 18,751 thousand and of Rs. 67,219 thousand in the immediately preceding financial year.

xviii.

There was no resignation of the statutory auditors during the year under Audit. Hence, paragraph 3(xviii) of CARO is not applicable to the company.

xix.

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the company as and when they fall due.

xx.

(a) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For **M/s. K G Acharya & Co.,**
Chartered Accountants
FRN 008019S

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Date 11/08/25
Place: Bangalore

Chirag Aggarwal
Partner
M. No. 243971

Financial statements

Of

Koppal Toys Molding COE Private Limited

For the year ended

31st March 2025

1. Background

Koppal Toys Molding COE Private Limited ('the Company') was incorporated on August 16, 2021 (Corporate Identity Number (CIN): U36999KA2021PTC150753) under the Companies Act 2013, in India, as a wholly owned subsidiary of Aequs Toys Private Limited ('ATPL'). The Company is engaged in the business of contract manufacturing moulded parts, using injection moulding machines, especially for toys industries. It is expected to deploy various automation technologies to deliver high volumes and high precision moulding., being carried out from Aequs Special Economic Zone ('Aequs SEZ') at Kukanoor, Koppal.

On January 10, 2022, the Company obtained approval from the Office of Cochin Special Economic Zone, Development Commissioner, Government of India to carry on the operations relating to manufacture and export of moulded parts under SEZ unit. The commercial operations of the Company started on January 21, 2023.

2. Summary of material accounting policies

a) Basis of preparation

(i) Compliance with Ind AS
The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities are measured at fair value.
- share based payments.

(iii) Going concern assumption
The company has incurred a total comprehensive loss of ₹ (95,680) [March 31, 2024: ₹ (149,283)] for the year ended March 31, 2025. The company's accumulated loss and net worth are ₹ (299,915) [March 31, 2024: ₹ (203,935)] and ₹ 282,762 [March 31, 2024: ₹ 328,742] respectively for the year ended March 31, 2025. These financial statements have been prepared on the assumption that the Company will continue as a going concern based on business plans approved by the Board of Directors for the year ended March 31, 2025.

(iv) New and amended standards issued but not effective:
- Amendment to IND AS 117-" Insurance contract"- Introduced and applicable to insurer company for annual reporting period beginning on or after 1st April 2024.
- Amendment to IND AS 116- "Leases"- Sales and Lease back transaction related changes are made.

The amendments listed above did not have any significant impact on the amounts recognised in current and prior periods and are not expected to significantly affect any future periods.

(v) Rounding off norms adopted by the Company

All amounts disclosed in the financial statements and notes have been rounded to nearest thousands as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amount mentioned as "0" in the financial statements denote amounts rounded-off, being less than ₹ 5 thousand.

b) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Company's Chief Operating Decision Maker (CODM) is identified to be The Executive Chairman and Chief Executive Officer ("CEO") of Aequs Limited (formerly known as Aequs Private limited) . The CODM evaluates the Company's performance as a whole. Accordingly, the entire Company is identified as one segment. The Company is engaged in business of contract manufacturing of engineered plastic toys. Refer note no. 29 for segment information presented.

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Koppal Toys Molding COE Private Limited

c) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences in respect of borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

d) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally as per the Inco terms. Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. The Company does not expect to have any contracts where the year between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

As a practical expedient, the Company has opted not to disclose the information in respect of performance obligations that are a part of contracts that has an original expected life of one year or less.

A contract asset is recognized when the Company gets the right to consideration in exchange for goods or services that it has transferred to the customers and the right is conditional upon acts other than passage of time.

When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customer) is recognized.

Sale of services

Revenue from the sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in the period in which such services are rendered.

e) Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate applicable adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction

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either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Deferred tax
Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

f) Leases
Company as a lessee
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the Company under residual value guarantees.
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the company's incremental borrowing rate. To determine the incremental borrowing rate, the company uses recent third-party financing received by the company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

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Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
• the amount of initial measurement of lease liability
• any lease payments made on or before the commencement date less any lease incentives received
• any initial direct costs, and
• restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company, is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in the statement of profit and loss.

g) Impairment of non-financial assets

The Company does not have goodwill or any other intangible assets with indefinite useful life. Other assets are depreciated over estimated useful life and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

j) Inventories

Raw materials and stores, work in progress, traded and finished goods.

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

k) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(i) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value on initial recognition.

(ii) Subsequent measurement

(a) Financial assets measured at amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses in other expenses.

(c) Financial assets measured at fair value through profit and loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition

A financial asset is derecognised only when.

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition
Interest income from financial assets at amortized cost is recognized in the statement of profit or loss using effective interest method.

(vi) Offsetting Financial Instruments
Financial assets and liabilities are offset, and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

l) **Property, plant and equipment**
Property, plant and equipment, capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation methods estimated useful lives and residual value.
Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The estimated useful lives of assets are as follows:

Asset	Useful life adopted by the Company (in years)	Useful life as per Schedule II (in years)
Office Equipment	1 to 5 years	5 years
Leasehold Improvements	10 years or lease period, whichever is lower	Not applicable
Plant and Machinery	1 to 10 years	8 to 15 years
Computers	1 to 3 years	3 to 6 years

The useful lives have been determined based on technical evaluation done by the management which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.
The residual values are not more than 5% of the original cost of the asset. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount.

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These are included in statement of profit and loss within other gains/ (losses). When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets include Computer software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Costs associated with maintaining software programmes are recognised as an expense as incurred.

The Company amortises intangible assets with finite useful life using the straight-line method over the following estimated useful lives:

Class of Assets	Useful lives estimated by Management (years)
Computer Software	3 to 10 years

n) Accounting policy on EBITDA

As permitted by the Guidance Note on Division II -Ind AS Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year in which these are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

q) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

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Koppal Toys Molding COE Private Limited

r) Financial guarantee contracts

Financial guarantees provided for no compensation by the joint venturers to banks on behalf of the company against the credit facilities availed are recognised at fair value akin to a prepaid asset when such guarantees are issued to the bank, with a corresponding increase in equity.

The asset is amortized in the statement of profit and loss, within finance costs, over the term of the underlying credit facility starting from the date when amounts from such facility are first drawn. The unamortised balance of the asset at the end of the financial year is set off against the respective outstanding credit facilities.

s) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

t) Contributed equity.

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

u) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognizes, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset

w) Finance income

Interest income: Interest income from financial assets at fair value through profit or loss is disclosed as interest income within finance income. Interest income from financial assets at amortized cost is calculated using effective interest method and is recognized in the statement of profit and loss using the effective interest rate method.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

x) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees ' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations within other financial liabilities in the balance sheet.

(ii) Other long-term employee benefit obligations

The liability recognised in the balance sheet in respect of leave obligations is the present value of the obligation at the end of the reporting period. The liability is calculated annually by actuaries using the projected unit credit method. Leave obligations are presented as current liabilities in the balance sheet since the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligationsThe Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and
(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

The Company pays provident fund and ESI contributions to relevant statutory authorities as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(iv) Bonus

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

3. Significant accounting judgements, estimates and assumptions.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgements in included in the relevant notes together with information about the basis of calculation for each affected line in the financial statements.

Areas involving significant judgements are as below:

Estimation of deferred tax expense/credit.

Useful life of Property, plant and equipment and intangible assets.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Koppal Toys Molding COE Private Limited
Balance Sheet as at March 31, 2025
(All amounts are in ₹ (in thousand) unless otherwise stated)

CIN: U36999KA2021PTC150753

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	4	2,11,333	2,42,244
Right of use assets	5(ii)	2,91,171	3,29,566
Financial assets			
Other financial assets	6 (iv)	26,506	25,006
Other non-current assets	8	2,102	6,673
		5,31,112	**6,03,489**
Current assets			
Inventories	9	4,142	4,471
Financial assets			
Trade receivables	6 (i)	3,390	2,909
Cash and cash equivalents	6 (ii)	4,788	2,765
Other bank balances	6 (iii)	40,014	14,204
Other financial assets	6 (iv)	53,368	-
Current Tax assets	7	106	373
Other current assets	8	1,568	1,003
		1,07,376	**25,725**
Total assets		**6,38,488**	**6,29,214**
Equity and liabilities			
Equity			
Equity share capital	10	4,76,176	4,26,176
Other equity			
Reserves and surplus	11 (i)	(2,99,915)	(2,03,935)
Other reserves	11 (ii)	1,06,501	1,06,501
Total equity		**2,82,762**	**3,28,742**
Non-current liabilities			
Financial liabilities			
Lease liabilities	12 (ii)	2,38,414	2,50,983
Employee benefit obligations	13(iii)	193	342
Deferred government grant	13(ii)	34,418	-
		2,73,025	**2,51,325**
Current liabilities			
Financial liabilities			
Borrowings	12 (i)	39,385	4,046
Lease liabilities	12 (ii)	11,328	5,556
Trade payables			
(a) total outstanding dues of micro and small enterprises	12 (iii)	551	-
(b) total outstanding dues of creditors other than micro and small enterprises		21,995	19,882
Other financial liabilities	12 (iv)	321	18,749
Employee benefit obligations	13(iii)	230	367
Deferred government grant	13(ii)	8,332	-
Other current liabilities	13(i)	559	546
		82,701	**49,147**
Total liabilities		**3,55,726**	**3,00,472**
Total equity and liabilities		**6,38,488**	**6,29,214**
Background of the company	1		
Material accounting policies	2		
Signifiant accounting judgements, estimates & asssumptions	3		

The accompanying notes are an integral part of these financial statements.
As per the Balance Sheet referred to in our report of even date

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

Chirag Aggarwal
Partner
Membership No.: 243971
Place: Bengaluru
Date: 11/08/25

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Koppal Toys Molding COE Private Limited

Koppal Toys Molding COE Private Limited

Dinesh Iyer	Harish Bang	Smita Harish Bang
Director	Director	Company Secretary
DIN-09515485	DIN-08383723	M No-A45081
Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: 11/08/25	Date: 11/08/25	Date: 11/08/25

Koppal Toys Molding COE Private Limited CIN: U36999KA2021PTC150753

Statement of Profit and Loss for the year ended March 31, 2025

(All amounts are in ₹ (in thousand) unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	14	24,157	19,006
Other income	15	50,440	10
Total income (A)		**74,597**	**19,016**
Expenses			
Cost of materials consumed	16	10,564	1,074
Changes in inventories of work in progress and finished goods	17	1,052	(1,103)
Employee benefits expenses	18	6,386	12,895
Other expenses	19	38,937	29,864
Total Expenses (B)		**56,939**	**42,730**
Loss before interest, tax, depreciation and amortisation (A-B)		**17,658**	**(23,714)**
Depreciation and amortisation expense	20	69,803	70,714
Finance income	21	(1,718)	(1,789)
Finance cost	22	45,666	56,527
Loss before tax		**(96,093)**	**(1,49,166)**
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
Loss for the year		**(96,093)**	**(1,49,166)**
Other comprehensive income			
Items that will be reclassified to profit or loss in subsequent period			
- Remeasurements (gain)/loss on defined benefit obligations		(413)	118
- Income tax effect to these items		-	-
Other comprehensive income for the year, net of tax		**(413)**	**118**
Total comprehensive loss for the year		**(95,680)**	**(1,49,284)**
Earnings per share - Basic [Nominal value per share: ₹ 10 (March 31, 2024: ₹10)]			
Basic and diluted	30	(2.06)	(4.69)

The accompanying notes are an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
Membership No.: 243971
Place: Bengaluru
Date: 11/08/25

For and on behalf of the Board of Directors of
Koppal Toys Molding COE Private Limited

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Director	Director	Company Secretary
DIN-09515485	DIN-08383723	M No-A45081
Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: 11/08/25	Date: 11/08/25	Date: 11/08/25

Koppal Toys Molding COE Private Limited CIN: U36999KA2021PTC150753

Statement of Changes in Equity for the year ended March 31, 2025

(All amounts are in ₹ (in thousand) unless otherwise stated)

A. Equity share capital

	Amount
Balance as at March 31, 2023	**2,71,593**
Changes in equity share capital	1,54,583
Balance as at March 31, 2024	**4,26,176**
Changes in equity share capital	50,000
Balance as at March 31, 2025	**4,76,176**

B. Other equity

	Retained earnings		Other reserves	Total other equity
	Retained earnings	Securities premium reserve		
Balance as at March 31, 2023	**(60,862)**	**2,342**	**4,095**	**(54,425)**
Loss for the year	(1,49,166)			(1,49,166)
Other comprehensive income/loss for the year*	(118)			(118)
Premium on issue of equity shares		5,418		5,418
Share issue expenses		(1,550)		(1,550)
Finance guarantee received during the year			1,02,406	1,02,406
Total comprehensive loss for the year	**(1,49,284)**	**3,868**	**-**	**(43,009)**
Balance as at March 31, 2024	**(2,10,145)**	**6,210**	**1,06,501**	**(97,434)**
Loss for the year	(96,093)			(96,093)
Other comprehensive income/loss for the year*	413			413
Premium on issue of equity shares		-		-
Share issue expenses		(300)		(300)
Total comprehensive loss for the year	**(95,680)**	**(300)**	**-**	**(95,980)**
Balance as at March 31, 2025	**(3,05,823)**	**5,910**	**1,06,501**	**(1,93,414)**

*Re-measurement of defined benefit obligations

The accompanying notes are on integral part of these financial statements

This is statement of changes in equity referred to in our report of even date

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
Membership No.: 243971
Place: Bengaluru
Date: 11/08/25

For and on behalf of the Board of Directors of
Koppal Toys Molding COE Private Limited

Dinesh Iyer	Harish Bang	Smita Harish Bang
Director	Director	Company Secretary
DIN-09515485	DIN-08383723	M No: A45081
Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: 11/08/25	Date: 11/08/25	Date: 11/08/25

Koppal Toys Molding COE Private Limited

Koppal Toys Molding COE Private Limited
Cashflow Statement for the year ended March 31, 2025
(All amounts are in ₹ (in thousand) unless otherwise stated)

CIN: U36999KA2021PTC150753

	March 31, 2025	March 31, 2024
Cash flow from operating activities		
Loss before income tax	(95,680)	(1,49,284)
Adjustments for:		
Depreciation and amortisation expense	69,803	70,713
Unrealized foreign exchange loss (net)	63	464
Interest income	(218)	(370)
Income from Govt Grant	(50,341)	-
Finance cost	34,993	41,599
Unwinding of discount on security deposits	(1,500)	(1,419)
Finance guarantee expense	10,673	14,928
Change in operating assets and liabilities	**(32,207)**	**(23,369)**
(Increase)/decrease in		
- trade receivables	(481)	(190)
- inventories	329	(2,644)
- other financial assets	-	5,540
- other current assets	(6,295)	(13,579)
Increase/(decrease) in		
- trade payables	2,601	(7,302)
- other financial liabilities	(18,428)	(24,714)
- other liabilities & Deferred Govt grant	13	(882)
- Employee benefit obligations	(287)	709
Cash generated from operations	**(54,755)**	**(66,430)**
Income taxes (paid)/refund (net)	(106)	(373)
Net cash outflow from operating activities (A)	**(54,861)**	**(66,803)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(497)	(29,207)
Investment in bank deposits	(25,810)	(14,204)
Interest received	218	370
Proceeds from government grant	39,723	-
Net cash outflow from investing activities (B)	**13,634**	**(43,041)**
Cash flows from financing activities		
Proceeds from issue of shares	50,000	1,54,583
Share issue expenses	(300)	-
Proceeds from external borrowings	-	(24,824)
Proceeds from related party borrowings	34,954	4,000
Principal elements of lease payments	(40,434)	(37,924)
Interest paid	(971)	(6,415)
Net cash inflow from financing activities (C)	**43,249**	**89,420**
Net increase (decrease) in cash and cash equivalents [(A)+(B)+(C)]	**2,022**	**(20,423)**
Cash and cash equivalents at the beginning of the year	2,765	23,189
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at end of the year (Refer Note no :6 (ii))	**4,788**	**2,765**

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Koppal Toys Molding COE Private Limited CIN: U36999KA2021PTC150753
Cashflow Statement for the year ended March 31, 2025
(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
Non cash financing and investing activities		
Addition of right of use asset	-	63,432
Cash and Bank Balances as per above comprise of the following:		
Balances with banks:		
- on current accounts	4,788	2,765
Total	4,788	2,765

The accompanying notes are integral part of the financial statements
This is the statement of cash flows referred to in our report of even date

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

Chirag Aggarwal
Partner
Membership No.: 243971
Place: Bengaluru
Date: 11/08/25

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Koppal Toys Molding COE Private Limited

Dinesh Iyer
Director
DIN-09515485
Place: Belagavi
Date: 11/08/25

Harish Bang
Director
DIN-08383723
Place: Belagavi
Date: 11/08/25

Smita Harish Bang
Company Secretary
M No-A45081
Place: Belagavi
Date: 11/08/25

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

4 Property, plant and equipment

	Office equipment	Leasehold improvements	Plant and machinery	Computers	Total
Cost					
At March 31, 2023	**3,096**	**-**	**2,62,095**	**5,529**	**2,70,720**
Additions	104	-	11,030	254	11,388
Disposals					-
At March 31, 2024	**3,200**	**-**	**2,73,125**	**5,783**	**2,82,108**
Additions	-	287	209	-	496
Disposals					-
At March 31, 2025	**3,200**	**287**	**2,73,334**	**5,783**	**2,82,604**
Depreciation					
At March 31, 2023	**245**	**-**	**6,900**	**422**	**7,567**
Charge for the year	1,090	-	29,399	1,808	32,297
Disposals					-
At March 31, 2024	**1,335**	**-**	**36,299**	**2,230**	**39,864**
Charge for the year	955	26	28,595	1,831	31,407
Disposals					-
At March 31, 2025	**2,290**	**26**	**64,894**	**4,061**	**71,271**
Net Block					
At March 31, 2023	**2,851**	**-**	**2,55,195**	**5,107**	**2,63,153**
At March 31, 2024	**1,865**	**-**	**2,36,826**	**3,553**	**2,42,244**
At March 31, 2025	**910**	**261**	**2,08,440**	**1,722**	**2,11,333**

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Koppal Toys Molding COE Private Limited CIN: U36999KA2021PTC150753
Notes to financial statements for the year ended March 31, 2025
(All amounts are in ₹ (in thousand) unless otherwise stated)

5(i) Intangible assets

	Computer Software	Total
Cost		
At March 31, 2023	24	24
Additions	-	-
Disposals		-
At March 31, 2024	24	24
Additions	-	-
Disposals		-
At March 31, 2025	24	24
Amortization		
At March 31, 2023	6	6
Charge for the year	18	18
Disposals	-	-
At March 31, 2024	24	24
Charge for the year	-	-
Disposals	-	-
At March 31, 2025	24	24
Net Block		
At March 31, 2023	18	18
At March 31, 2024	-	-
At March 31, 2025	-	-

5(ii) Right of use assets

	Lease hold Premises	Total
Cost		
At March 31, 2023	3,20,504	3,20,504
Additions	63,432	63,432
Disposals		-
At March 31, 2024	3,83,936	3,83,936
Additions	-	-
Disposals		-
At March 31, 2025	3,83,936	3,83,936
Depreciation		
At March 31, 2023	15,971	15,971
Additions	38,399	38,399
Disposals		-
At March 31, 2024	54,370	54,370
Additions	38,395	38,395
Disposals		-
At March 31, 2025	92,765	92,765
Net Block		
At March 31, 2023	3,04,533	3,04,533
At March 31, 2024	3,29,566	3,29,566
At March 31, 2025	2,91,171	2,91,171

There are no Intangibles under development as on March 31, 2025 and March 31, 2024.

(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
6 Financial assets		
(i) Trade receivables		
Trade receivables from contract with customers - billed	1,981	1,802
Trade receivables from contract with customer - related parties (refer note 27)	1,409	1,107
Total receivables	**3,390**	**2,909**
Total trade receivables	**3,390**	**2,909**
Break-up of security details		
Trade Receivables, considered good - unsecured	3,390	2,909
Total trade receivables	**3,390**	**2,909**

Aging of trade receivables as at March 31, 2025

	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	-	3,390	-	-	-	-	-	3,390
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Undisputed Trade receivables								-
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Total	-	3,390	-	-	-	-	-	3,390
Less: loss allowance	-	-	-	-	-	-	-	-
Total trade receivables	-	3,390	-	-	-	-	-	3,390

Aging of trade receivables as at March 31, 2024

	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	-	777	2,132	-	-	-	-	2,909
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Undisputed Trade receivables								-
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Total	-	777	2,132	-	-	-	-	2,909
Less: loss allowance	-	-	-	-	-	-	-	-
Total trade receivables	-	777	2,132	-	-	-	-	2,909

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
(ii) Cash and cash equivalents		
Cash on hand	-	-
Balances with banks:		
- on current accounts	4,788	2,765
	4,788	**2,765**
(iii) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	40,000	14,000
Interest accrued on deposits	14	204
	40,014	**14,204**
(iv) Other financial assets		
Non current		
(Unsecured considered good)		
Security Deposits	26,506	25,006
	26,506	**25,006**
Current		
(Unsecured considered good)		
Balances with government authorities	-	-
Government Grant Receivable*	53,368	-
	53,368	**-**

***Government grant receivable includes**

i. Capital subsidy receivable of Rs 31,072 as at March 31, 2025 (Rs. nil as at March 31, 2024) towards investment in property, plant, and equipment made in financial year 2023 and

ii. Subsidy receivable towards reimbursement of rental expenses incurred of

a. Rs. 11,129 for year ended 31st March 2025 and

b. Rs 11,167 for ended 31st March 2024 under "Special Incentive Packege for investment in Toy Cluster" scheme.

The Company is committed to comply with certain terms and condition related to capital subsidy over a specified period of time. In case such commitments are not met, the Company would be required to refund the grant so received along with interest to the regulatory authorities.

	March 31, 2025	March 31, 2024
7 Current tax assets		
Tax deducted at source	106	373
	106	**373**
Other assets		
8 Non current		
(Unsecured, considered good)		
Capital advances	4,359	4,359
Less: Provision for Capital Advances	(4,359)	-
	-	4,359
Prepaid expenses	2,102	2,314
	2,102	**6,673**
Current		
(Unsecured, considered good)		
Advance to suppliers	463	401
Prepaid expenses	1,105	602
	1,568	**1,003**
Inventories		
9 Raw materials	3,201	1,599
Finished goods	51	1,103
Stores and spares	1,631	1,769
	4,883	**4,471**
Less: Provision for slow moving stock	(741)	-
	4,142	**4,471**

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

CIN: U36999KA2021PTC150753

10 Equity share capital

(i) Authorised equity share capital

	No. of Shares	Amount
As at March 31, 2023	2,76,00,000	2,76,000
Increase during the year	1,80,00,000	1,80,000
As at March 31, 2024	4,56,00,000	4,56,000
Increase during the year	24,00,000	24,000
As at March 31, 2025	4,80,00,000	4,80,000

(ii) Issued, subscribed and fully paid up equity share capital

	March 31, 2025	March 31, 2024
4,76,17,623 (March 2024 : 4,26,17,623) equity shares of ₹10 each fully paid up.	4,76,176	4,26,176
	4,76,176	**4,26,176**

(a) Movement in equity shares

	March 31, 2025		March 31, 2024	
	Numbers	**Amount (₹)**	**Numbers**	**Amount (₹)**
At the beginning of the year	4,26,17,623	4,26,176	2,71,59,323	2,71,593
Add: Issued and allotted during the year	50,00,000	50,000	1,54,58,300	1,54,583
	4,76,17,623	**4,76,176**	**4,26,17,623**	**4,26,176**

(b)Terms & rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, equity share holders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company

Out of equity shares issued by the company, shares held by its holding company is as below:

	March 31, 2025	March 31, 2024
Aequs Toys Pvt Ltd (ATPL)*	4,76,17,623	4,26,17,623

(d) Details of share holders holding more than 5% of the aggregate shares in the company

Name of the shareholder	March 31, 2025		March 31, 2024	
	Numbers	**% of holding**	**Numbers**	**% of holding**
Aequs Toys Pvt Ltd (ATPL)*	4,76,17,623	99.99%	4,26,17,623	99.99%

(e) There are no shares which are reserved for issue under options and no shares were issued for consideration other than cash.

(f) Details of shareholding of promoters:

Name of the promoter	No. of shares		Percentage of no. of shares		Percentage of change during the year
	March 31, 2025	**March 31, 2024**	**March 31, 2025**	**March 31, 2024**	
Aequs Toys Pvt Ltd (ATPL)*	4,76,17,623	4,26,17,623	99.99%	99.99%	NIL

*Includes 1 equity share (March 31,2024: 1 equity share) held by Ravi Hugar as nominee shareholder.

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
11 Other equity		
(i) Reserves and surplus		
Retained Earnings	(3,05,825)	(2,10,145)
Securities premium	5,910	6,210
	(2,99,915)	**(2,03,935)**
(ii) Other reserves		
Other reserves	1,06,501	1,06,501
	1,06,501	**1,06,501**
	(1,93,414)	**(97,434)**
(a) Retained earnings		
Opening Balance	**(2,10,145)**	**(60,862)**
Loss for the year	(96,093)	(1,49,166)
Items of other comprehensive income recognised directly in retained earnings :		
- Remeasurement of post employment benefit obligations	413	(118)
Closing Balance	**(3,05,825)**	**(2,10,145)**
(b) Securities premium		
Opening Balance	**6,210**	**2,342**
Add: Premium received on shares issued during the year	-	5,418
Less: Share issue expenses	(300)	(1,550)
Closing Balance	**5,910**	**6,210**
(c) Other reserves		
Opening Balance	1,06,501	4,095
Add: Finance guarantee received during the year	-	1,02,406
Closing Balance	**1,06,501**	**1,06,501**

Note:
a) Other reserves represents fair value of financial guarantee received from Aequs Limited.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
12 Financial liabilities		
(i) Borrowings		
Current		
Loans repayable on demand		
Loans from related party (unsecured)	39,000	4,000
Current maturities of long-term borrowings	-	-
Interest accrued but not due on borrowings	385	46
Total current borrowings	**39,385**	**4,046**

Refer note 33 for net debt reconciliation
Refer note 34 for carrying value of financial and non-financial assets pledged as security for borrowings.

Note:

(a) The company had availed unsecured loan in FY 2023-24 repayable on demand from Aequs Force Consumer Products Private Limited (AFCPPL) at 12% ROI which has been repaid on October 2024

(b) The company had availed unsecured loan during the FY 2024-25 repayable on demand from Aequs Limited (formerly known as Aequs Private Limited) at 12% ROI

(ii) Lease liabilities

(a) Amounts recognised on the balance sheet

	March 31, 2025	March 31, 2024
Lease liabilities		
Non-current	2,38,414	2,50,983
Current	11,328	5,556
	2,49,742	**2,56,539**

(b) The following are the amounts recognised in the statement of profit and loss :

	March 31, 2025	March 31, 2024
Depreciation of right-of-use assets (refer note 20)	38,396	38,399
Interest expense on lease liabilities (refer note 22)	33,637	35,184
Finance guarantee expense on lease liability	10,673	14,928

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Koppal Toys Molding COE Private Limited
Notes to financial statements for the year ended March 31, 2025
(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
(iii) Trade payables		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	551	-
	551	**-**
- Trade payables to related parties (refer note 27)	19,080	15,957
- Others	2,915	3,925
	21,995	**19,882**
	22,546	**19,882**

Aging of trade payables as at March 31, 2025

Particulars	Unbilled	Not Due	Outstanding for the following periods from the transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed Dues - Others	-	1,520	21,026	-	-	-	22,546
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**-**	**1,520**	**21,026**	**-**	**-**	**-**	**22,546**

Aging of trade payables as at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for the following periods from the transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed Dues - Others	3,185	1,506	1,348	13,843	-	-	19,882
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**3,185**	**1,506**	**1,348**	**13,843**	**-**	**-**	**19,882**

Note : Due to the inherent functionality of the accounting application used by the company, the above ageing disclosures have been made based on the information based on transaction value.

	March 31, 2025	March 31, 2024
(iv) Other financial liabilities		
Current:		
Interest accrued and due on borrowings		
Capital creditors		
- Others	-	16,188
Employee benefits payable	291	204
Dues to related parties (refer note 27)	30	2,357
	321	**18,749**
13(i) Other current liabilities		
Statutory dues payable	559	546
	559	**546**
13(ii) Deffered government grant		
Non-Current	34,418	-
Current	8,332	-
Total contract liabilities	**42,750**	**-**

Deferred government grant includes deferment of income related to capital subsidy of Rs 42,750 as at March 31, 2025 (Rs. Nil as at March 31, 2024) towards investment in property, plant, and equipment made in financial year 2023 under "Special Incentive Packege for investment in Toy Cluster" scheme.

The Company is committed to comply with certain terms and condition related to capital subsidy over a specified period of time. In case such commitments are not met, the Company would be required to refund the grant so received along with interest to the regulatory authorities.

(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
13(iii) Employee Benefit Obligations		
Non current		
Gratuity obligations	193	342
	193	**342**
Current		
Gratuity obligations	0	0
Leave Obligation	230	367
	230	**367**

(i) Leave Obligations

The leave obligations cover the company's liability for earned leave.

The amount of provision of ₹230 (March 31, 2024: 367) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Provision expected to be settled after 12 months from the balance sheet date is ₹165 (2024: 283)

(ii) Defined contribution plans

The Company has certain defined contribution plans in the form of provident fund and ESI for qualifying employees. The contributions are made to provident fund in India and to ESI scheme as per regulations. The contributions are made to registered provident fund and ESI administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards defined contribution plan is as follows:

	As at March 31, 2025	As at March 31, 2024
Provident fund	274	79
Employees State Insurance (ESI)	4	2
	278	**81**

(ii) Post employment obligations

Gratuity

The Company provides for gratuity for employees in India as per Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded.

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2025	As at March 31, 2024
Present value of unfunded defined benefit obligation	193	343
Defined benefit obligation recognised in balance sheet	**193**	**343**

(a) Total expenses recognised in the statement of profit and loss account (Note 18)	**March 31, 2025**	**March 31, 2024**
Current service cost	238	101
Interest cost	25	8
Interest Income	-	-
Past service cost	-	-
(Gain)/Loss due to settlements/curtailments	-	-
Unrecognised assets due to limit in para 59(B)	-	-
Total amount recognised in statement of profit or loss	**263**	**110**
(b) Amounts recognised in Other comprehensive Income		
(Gains)/losses arising from changes in	118	
- demographic assumptions	(99)	80
- financial assumptions	8	38
- experience adjustments	(322)	-
Total amount recognised in other comprehensive income	**(295)**	**118**

Koppal Toys Molding COE Private Limited
Balance Sheet as at March 31, 2025
(All amounts are in ₹ (in thousand) unless otherwise stated)

CIN: U36999KA2021PTC150753

	March 31, 2025	March 31, 2024
	March 31, 2025	March 31, 2024
Total amount recognised in statement of profit and loss and other comprehensive income (a+b)	**(32)**	**227**
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	343	-
Current service cost	238	101
Past service cost		
(Gain)/loss on settlements		
Interest cost	25	8
Benefits payments from plan assets	-	-
Benefits paid	-	115
Settlements		
Participant contributions		
Acquisition / divestiture	-	-
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	(99)	80
- arising from changes in financial assumptions.	8	38
- arising from changes in experience adjustments.	(322)	-
Defined benefit obligation as of current year end	**193**	**343**
Recognized under employee benefit obligations:		
Current	0	0
Non-current	193	342
Total	**193**	**343**

	March 31, 2025	March 31, 2024
(g) Actuarial Assumptions:		
Discount rate per annum	6.95%	7.25%
Rate of increase in compensation levels	10%	10%
Attrition rate	11% at younger ages and reducing to 1% at older ages according to graduated scale.	11% at younger ages and reducing to 1% at older ages according to graduated scale.
Normal retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

Employee Benefits Obligations (Contd..)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is as under:

Changes in assumption	March 31, 2025	March 31, 2024
Discount Rate		
a. Discount rate + 50 basis points impact (%)	-6.61%	-11.09%
b. Discount rate - 50 basis points	207.07	385.98
b. Discount rate - 50 basis points impact (%)	7.27%	12.62%
Salary increase rate		
a. Rate + 50 basis points	206.59	384.63
a. Rate + 50 basis points impact (%)	7.02%	12.23%
b. Rate - 50 basis points	180.56	305.44
b. Rate - 50 basis points impact (%)	-6.46%	-10.88%

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There is no change in the method from the previous period and the points/ percentage by which the assumptions are stressed are same to that in the previous year.

The mortality and attrition does not have a significant impact on the liability hence are not considered as significant actuarial assumption for the purpose of sensitivity analysis.

K.G. ACHARYA & CO., BANGALORE, CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

Maturity profile of the defined benefit obligations.

b. Expected future cashflows (in Rs.) [Undiscounted]	March 31, 2025	March 31, 2024
Year 1	0.27	0.25
Year 2	0.31	0.29
Year 3	13.24	0.34
Year 4	12.72	0.40
Year 5	14.31	0.48
Year 6	9.54	0.56
Year 7	9.25	0.67
Year 8	8.99	0.80
Year 9	7.90	0.95
Year 10 and above	535.55	2,187.84
Weighted average duration of the defined benefit obligation in years	13.85 years	23.64 years

Risk Exposure
Through its defined benefit plans, the company is exposed to number of risks, the most significant of which are detailed below:

(i) Market Risk (Discount Rate)
Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(ii) Longevity Risk
The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

(iii) Annual Risk
Salary Increase Assumption
Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

Withdrawal Assumption
If actual withdrawal rates are higher than assumed withdrawal rate assumption, then the benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2025	March 31, 2024
14 Revenue from operations		
Revenue from contracts with customers		
- Sale of finished products	18,504	6,231
- Sale of raw materials	1,140	2,208
- Sale of services	4,513	10,567
	24,157	**19,006**
15 Other income		
Net foreign exchange gain	84	10
Income from government grant (*)	50,341	-
Int on IT refund	15	-
	50,440	**10**

(*)Government grant income includes

a. Income which has been recognised on account of capital subsidy of Rs. 24,996 (Rs. Nil for year ended March 31, 2024) towards investment made in property, plant, and equipment in financial year 2023 and

b. Income recognised on account of reimbursement of rental expenses incurred of

i. Rs.3,049 (Rs. Nil for year ended March 31 2024) for the year ended 31st March 2023,

ii. Rs. 11,167 (Rs. Nil for year ended March 31 2024) for year ended 31st March 2024 and

iii. Rs. 11,129 (Rs. Nil for year ended March 31 2024) for year ended 31st March 2025 under "Special Incentive Packege for investment in Toy Cluster" scheme

Under such scheme, the Company is committed to comply with certain terms and condition related to capital subsidy over a specified period of time. In case such commitments are not met, the Company would be required to refund the grant so received along with interest to the regulatory authorities.

	March 31, 2025	March 31, 2024
16 Cost of materials consumed		
Opening stock	1,599	440
Add: Purchases during the year	12,166	2,233
	13,765	**2,673**
Less: Closing stock	3,201	1,599
Cost of raw materials consumed	**10,564**	**1,074**
17 Changes in inventories of work in progress and finished goods		
Stock at the end of the year (a)		
Work-in-progress	-	-
Finished goods	51	1,103
	51	**1,103**
Purchase of FG during the year	-	-
Stock at the beginning of the year (b)	-	-
Work-in-progress	-	-
Finished goods	1,103	-
	1,103	-
Change in inventories of work in progress and finished goods (b-a)	**1,052**	**(1,103)**

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

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	March 31, 2025	March 31, 2024
18 Employee benefit expenses		
Salaries, wages and bonus	5,164	11,819
Contribution to provident and other funds	278	81
Gratuity (refer note 13)	263	110
Leave compensation	-	359
Staff welfare expenses	681	526
	6,386	**12,895**
19 Other expenses		
Consumption of stores and spares	1,834	46
Outsourced manpower cost	5,680	5,105
Testing charges	140	282
Insurance	1,193	695
Power and fuel	11,812	11,786
Repairs and maintenance :		
Plant and machinery	13	13
Building	9,922	8,695
Others	62	184
Legal and professional fees	531	961
Payment to auditors [refer note (i) below]	190	403
Rent	333	122
Printing and stationery	79	-
Freight & forwarding	1,251	447
Rates and taxes	479	372
Travelling and conveyance	67	41
Advertising and sales promotion	5	-
Provision for Slow Moving Inventory	741	-
Provision for Capital Advances	4,359	-
Net foreign exchange loss /(gain)	63	464
Bank charges	68	59
Miscellaneous expenses	115	190
	38,937	**29,865**
(i) Payments to auditors		
As auditor:		
Audit fee	190	403
	190	**403**
20 Depreciation and amortisation expense		
Depreciation of property, plant and equipment [refer note 4]	31,407	32,297
Depreciation of right of use assets [refer note 5(ii)]	38,396	38,399
Amortisation of intangible assets [refer note 5(i)]	-	18
	69,803	**70,714**
21 Finance income		
Interest income from bank deposits	218	370
Unwinding of discount on security deposit	1,500	1,419
	1,718	**1,789**
22 Finance cost		
Interest expense on borrowings	-	5,519
Interest expense on delayed payment to micro enterprises and small enterprises	4	-
Interest expense on intercompany loans (refer note 27)	1,352	214
Interest expense on lease liabilities (refer note 31)	33,637	35,184
Bank charges	-	682
Finance guarantee expense	10,673	14,928
	45,666	**56,527**

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23 Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the company's capital management is to maximise the shareholder value.

The company's objectives while managing capital are to:
(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders;
(ii) Maintain optimal capital structure to reduce the cost of capital

The company monitors capital using gearing ratio and is measured by net debt (total borrowings net of cash and cash equivalents)

(i) The below table depicts the company's net debt to equity ratio.

	March 31, 2025	March 31, 2024
Long term borrowings	-	-
Short term borrowings	39,385	4,046
Lease liabilities	2,49,742	2,56,539
Cash and Bank balances	(4,788)	(2,765)
Net debt	**2,84,339**	**2,57,820**
Total equity	2,87,122	3,28,743
Net debt to equity ratio	**0.99**	**0.78**

Note:
(a) Please refer note no: 32 for reasons for the significant variance in the above ratio
(b) The above ratio is calculated by considering the amount of net debt (including cash and cash equivalents). This is resulting in a deviation between the above ratio and the debt equity ratio calculated in note number 32.

24 Commitments and contingent liabilities

	March 31, 2025	March 31, 2024
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:		
(i) Property, plant and equipment	-	-
(ii) Office & equipment	-	300
(iii) Tools & instruments	-	742
(iv) Computers	-	-
	-	**1,042**

(b) Contingent liabilities
There are no reportable contingent liabilities

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25 Fair value measurement

Financial instruments by category

		March 31, 2025	March 31, 2024
Financial assets			
Trade receivables	Amortized Cost	3,390	2,909
Cash and cash equivalents	Amortized Cost	4,788	2,765
Other financial assets	Amortized Cost	79,874	25,006
Total financial assets		**88,052**	**30,680**
Financial liabilities			
Trade payables	Amortized Cost	22,546	19,882
Lease liabilities	Amortized Cost	2,49,742	2,56,539
Borrowings (including current maturities)	Amortized Cost	39,385	4,046
Other financial liabilities	Amortized Cost	321	18,749
Total financial liabilities		**3,11,994**	**2,99,217**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) Recognized and measured at fair value
(b) Recognized and measured at amortized cost and for which fair values are disclosed in financial statements.
To provide an indication of the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.
An explanation of each level follows underneath the table:

Financial assets and liabilities which are measured at amortized cost for which fair values are disclosed

	Notes	March 31, 2025	March 31, 2024
		Level 3	Level 3
Financial assets			
Trade receivables	6 (i)	3,390	2,909
Cash and cash equivalents	6 (ii)	4,788	2,765
Other financial assets	6 (iv)	79,874	25,006
Total financial assets		**88,052**	**30,680**
Financial liabilities			
Trade payables	12 (iii)	22,546	19,882
Lease liabilities	12 (ii)	2,49,742	2,56,539
Borrowings (including current maturities)	12 (i)	39,385	4,046
Other financial liabilities	12 (iv)	321	18,749
Total financial liabilities		**3,11,994**	**2,99,217**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
Level 2: The fair value of financial instruments that are not traded in an active market (derivative mainly forward contract) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation Process

The finance department of the Company includes a team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

Fair value of financial assets and liabilities measured at amortized cost

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other financial assets and liabilities are considered to be the same as their fair values, due to the short-term maturities of these instruments.
The fair value of interest free security deposits were calculated based on cash flows discounted using a risk free rate of interest. They are classified as level 3 fair values in fair value hierarchy due to the inclusion of unobservable inputs including counter-party credit risk.
The fair value of non-current borrowings are based on discounted cashflows using current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
For financial assets and liabilities that measured at fair value, the carrying amounts are equal to fair value.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation technique. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

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26 Financial risk management

The company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The company's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the company's risk management and have established policies to identify and analyse the risks faced by the company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table largely summarizes the sources of financial risk to which the entity is exposed to and which entity manages the risk.

This table below explains the sources of risk which the company is exposed to and the company manages the risk:

		Exposure arising from	Measurement	Management
	Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortized cost	Aging analysis credit ratings	Diversification of bank deposits, customers credit analysis, monitoring of credit limits and bank guarantee
	Liquidity risk	Borrowings, security deposits received and other liabilities.	Rolling cash flow forecast	Availability of borrowing facilities
	Market risk - Foreign exchange	Future commercial transactions, recognized financial assets and liabilities not denominated in Indian	Cash flow forecasting, sensitivity analysis	Natural hedging for receivables and payables
	Market risk - Interest risk	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Maintaining a judicious mix of variable and fixed rate debt.

A Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and bank balances including deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and deposits.

The company's financial assets mainly comprise of cash and bank balances, trade receivables and other receivables.

(i) Credit risk management

Credit risk is managed and assessed on an on-going basis. Only high rated banks/financial institutions are accepted for banking transactions and placement of deposits. For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function assesses and maintains the internal credit rating system. The internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to that class of financial asset.

A: High quality assets, negligible credit risk.
B: Low quality assets, high credit risk
C: Doubtful assets, credit- impaired

The company considers the probability of defaults upon initial recognition of the asset and whether there has been any significant increase in the credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in the credit risk, the entity compares the risk of the default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information especially:

1. Internal credit rating
2. External credit rating (to extent available)
3. Any significant change in business, financial or economic conditions that are expected to cause significant change in the payer's ability to meet it's obligations, including changes in operating results and payment status.

Macro economic information (such as regulatory changes, legal changes, interest rate changes) are incorporated as a part of internal rating model. Default of a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due or when the debtor's environment in which the entity operates and other macro-economic factors.

The company continuously monitors the credit worthiness of the customers and reassess the credit limits on an ongoing basis

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(ii) Provision for expected credit losses

The Company provides for expected credit losses based on the following:

<table>
<tr><th rowspan="2">Internal Rating</th><th rowspan="2">Category</th><th rowspan="2">Description of Category</th><th colspan="2">Basis of recognition of expected credit loss provision</th></tr>
<tr><th>Deposits</th><th>Trade Receivables(other than dues from Related parties & Govt agencies)</th></tr>
<tr><td>A</td><td>High-quality assets, negligible credit risk</td><td>Asset where the counter party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td>12-month expected credit losses</td><td rowspan="2">Life-time expected credit losses</td></tr>
<tr><td>B</td><td>Low-quality assets, high credit risk</td><td>Asset where there is moderate probability of default. In general, assets where contractual payments are more days than past due are categorized as low quality assets. Also includes assets where the credit risk of counter party has increased significantly though payments may not be more than past due.</td><td>Life-time expected credit losses</td></tr>
<tr><td>C</td><td>Doubtful asset, credit impaired</td><td>The assets are written-off where there is no reasonable expectation of recovery. Where loans and receivables are written-off, the Company continues to engage in enforcement activity to attempt or recover the receivable due. Where recoveries are made, they are recognized in Statement of Profit and Loss.</td><td colspan="2">Asset is fully provided for or written-off</td></tr>
</table>

The company's financial assets mainly comprise of investments, trade receivables, deposits with deposits.

1)Deposits:

Deposits are classified as assets with nil risk based on past history of defaults and reasonable forward looking information. Deposits comprises of mainly refundable security deposits made on buildings (leased premises) taken under operating lease. Since these are assets with nil risk, the expected probability of default is "0%" and hence no provision for expected credit losses are made in the financial statements.

2) Deposits with Bank :

They are considered to be having negligible risk or nil risk, as they are maintained with high rated banks and the period of such deposits are for more than 3 months.

3) Trade receivables

Customer credit risk is managed by the company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit limits defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

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(All amounts are in ₹ (in thousand) unless otherwise stated)

B Liquidity risk

Liquidity risk is a risk where an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2025	March 31, 2024
A. Expiring within one year (Bank overdraft and other facilities)	-	-
B. Expiring beyond one year (Bank loans)	-	-
	-	-

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2025

Contractual maturities of financial liabilities	Less than 12 Months	More than 12 months	Total
Borrowings	-	-	-
Trade payables	22,546	-	22,546
Other financial liabilities	321	-	321
Lease liabilities	53,664	4,26,577	4,80,241
Interest accrued but not due on borrowings	385	-	385
Employee related liability	230	193	423
Total liabilities	**77,146**	**4,26,770**	**5,03,916**

As at March 31, 2024

Contractual maturities of financial liabilities	Less than 12 Months	More than 12 months	Total
Borrowings	-	-	-
Trade payables	19,882	-	19,882
Other financial liabilities	18,749	-	18,749
Lease liabilities	51,109	4,80,241	5,31,350
Interest accrued but not due on borrowings	46	-	46
Employee related liability	367	342	709
Total liabilities	**90,153**	**4,80,583**	**5,70,736**

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C Market risk

Market risk is a risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk primarily comprises of foreign currency risk and interest rate risk as applicable to the Company.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is exposed to foreign exchange risk primarily due to operating activities arising from foreign currency transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The company primarily imports and exports materials which are denominated in foreign currency which exposes it to foreign currency risk. The company has a natural hedge in terms of its receivables and payables being in USD.

(a) Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows:

	March 31, 2025 USD	March 31, 2024 USD
Financial assets		
Trade receivables	1,988	-
Advances to suppliers	-	-
Other current assets	-	-
Cash and bank balances	-	-
Exposure to foreign currency risk (assets)	**1,988**	**-**
Financial liabilities		
Trade payables	-	
Term loans (Including Interest)		
Advance from customers		
Capital creditors		204
Exposure to foreign currency risk (liabilities)	**-**	**204**
Net exposure to foreign currency risk (assets - liabilities)	**1,988**	**(204)**

(b) The sensitivity of profit or loss to changes in exchange rates arising from foreign currency denominated in USD on financial instruments is given below.

Impact on loss before tax	March 31, 2025	March 31, 2024
USD Sensitivity		
INR/USD - Increase by 5%	(99.41)	10.21
INR/USD - decrease by 5%	99.41	(10.21)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates.

(a) Interest rate risk exposure

The exposure of company's borrowings to the interest rate changes at the end of the reporting period are included in the table below.

Particulars	March 31, 2025	March 31, 2024
Variable rate borrowings	-	-
Fixed rate borrowings	2,49,742	2,56,539
Total borrowings	**2,49,742**	**2,56,539**

(b) Sensitivity

Profit & loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Impact on loss before tax	March 31, 2025	March 31, 2024
Interest rates - increase by 50 basis points	-	-

(iii) Price risk

Price risk is the risk of a decline in the value of security or an investment portfolio. The company is not exposed to such risks, as it has not invested in any such securities.

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27 Related party disclosures

A Names of other related parties and their relationship

Relationship	Name of related party
(i) Names of related parties where control exists:	
Ultimate Holding Company	Aequs Inc. Cayman Islands*
Intermediate holding company	Aequs Limited (AL) (Formerly known as Aequs Private Limited)
Holding Company	Aequs Toys Private Limited (ATPL)
(ii) Key management personnel :	
Directors	Dinesh Iyer
	Harish Bang
	Suraj Hukkeri
	Rohit Hegde**
Company Secretary	Smitha Harish Bang
(iii) Fellow subsidiaries of holding company:	Aequs Consumer Products Private Limited (ACPPL)
	Aequs Engineered Plastics Private Limited (AEPPL)
	Aequs Force Consumer Products Private Limited (AFCPPL)
	Aerostructures Manufacturing India Private Limited (ASMIPL)
(iv) Fellow subsidiary.	Koppal Toys Tooling COE Pvt Ltd (KTTPL)***
	Aequs Rajas Extrusion Private Limited(AREPL)
(v) Enterprises in which individuals owning interest in the holding/ultimate holding or their relatives have control or significant influence	Aequs SEZ Private Limited (ASEZ)

* Aequs Inc. is 100% beneficially owned and controlled by the Melligiri Foundation.
** Mr. Rohit Hegde is appointed as an additional Director w.e.f February 1, 2025
*** KTTPL is struck off from the Register of Companies w.e.f November 30, 2024

Related party disclosures continued on the next page

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Notes to financial statements for the year ended March 31, 2025
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(B) Transactions with related parties

	Name	Nature of transactions	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	ASEZ	Service Received	72,840	67,975
		Lease rentals paid	17,470	13,490
(b)	AL	Expenses incurred by related party	3	196
		loan from related party	39,000	-
		Interest expense	1,080	-
(c)	ASMIPL	Expenses incurred by related party	1	22
(d)	AFCPPL	Purchase of asset	287	-
		Sale of goods	-	35
		Sale of service	315	11,910
		Cost of raw materials consumed	-	640
		loan from related party	-	4,000
		Interest expense	272	49
		Repayment of loan received	4,038	
(e)	AEPPL	Expenses incurred by related party	-	2,825
		Purchase of asset	256	-
(f)	ATPL	Expenses incurred by related party	341	9,037
		Expense incurred on behalf of related party	-	115
		Sale of goods	1,140	155
		Sale of service	4,027	5,168
		Cost of raw materials consumed	3,128	509
		Isuue of shares	50,000	1,54,583
(g)	KTTPL	Interest expense on loan taken	-	166

Related party disclosures continued on next page

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(C) Balances with related parties:

	Name of entity	Nature of transactions	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	ASEZ	Trade payable	15,871	12,941
		Security deposit	41,245	41,245
(b)	AEPPL	Other financial liabilities	-	2,356
		Trade payable	6	-
(c)	AFCPPL	Trade payable	3,208	-
		Trade receivables	-	90
		Dues to related parties	30	-
		Loans from related party	-	4,000
		Interest accrued but not due on borrowings	-	44
(d)	AL	Loans from related party	39,000	-
		Interest accrued but not due on borrowings	383	
(e)	ASMIPL	Other financial liabilities	-	1
(f)	ATPL	Other Financial assets		-
		Trade receivable	1,409	1,017
		Trade payable	-	91

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(All amounts are in ₹ (in thousand) unless otherwise stated)

28 Deferred tax assets (Net)

A. Deferred tax recognition

Deferred tax asset on timing differences and on unabsorbed depreciation and business loss carried forward has not been recognised in these accounts in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off. However, this position will be reassessed at every year end and the deferred tax asset will be accounted for, if appropriate. Deferred tax asset as at March 31, 2025 has been arrived at as follows:

Deferred Tax :

Movement in the deferred tax assets / (liabilities)

Particulars	As at April 1, 2023	Charge/(credit) to the statement of profit and loss	Charge/(credit) to other comprehensive income	As at March 31, 2024	Charge/(credit) to the statement of profit or loss	Charge/(credit) to other comprehensive income	As at March 31, 2025
Deferred Tax Asset/(Liabilities) :							
Property, plant & equipment , Intangible Asset	(2,465)	(1,349)	-	(3,814)	(11,940)	-	(15,754)
Right of use assets (net of lease liabilities)	(1,069)	(11,462)	-	(12,531)	5,422	-	(7,109)
Inventory	-	-	-	-	127		127
Employment Benefit Obligation - Gratuity and Leave Encashment	-	122	-	122	(49)	-	72
Bonus	-	35	-	35	(35)	-	-
Unabsorbed Depreciation	3,591	6,894	-	10,485	5,712	-	16,197
Loss carried forward	7,013	13,384	-	20,397	8,422	-	28,819
Other Items	185	(77)	-	108	(125)	-	(17)
Net Deferred Tax Asset	**7,254**	**7,547**	**-**	**14,801**	**7,535**	**-**	**22,336**

B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	March 31, 2025
Profit/(Loss) before income tax expense	(96,093)
Tax at the rate of 17.16% for 2025 and 17.16% for 2024	(16,489)
Expenses not deductible	6,774
Incomes not chargeable	(257)
Deffered Tax not recongnised on Business and depreciation	5,772
Deffered Tax not recongnised on temporary defference	15,171
Other items	(10,971)
Total tax expense/(income)	-

Company has not recognised the deferred tax asset in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off.

Out of the deferred tax asset on account of carry forward unabsorbed depreciation and business loss as disclosed in (A), deferred tax from business losses will reverse in the absence of the future taxable income in future years, as mentioned below:

Tax losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

Financial Year	March 31, 2025	March 31, 2024
2029-30	-	1,601
2030-31	1,601	39,267
2031-32	39,267	76,496
2032-33	72,210	-
2033-34	45,068	-
No expiry	94,389	60,842

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29 Segment information

The Managing Director ("MD") and Chief Executive officer ("CEO") of the group has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, operating segments. The CODM evaluates the company's performance as a whole. Accordingly, the entire company has been identified as one segment. Hence, no separate segment information has been presented.

The company is primarily engaged in contract manufacturing of plastic toys and toys products which comprise the primary segment. Hence no separate primary segment information is deemed necessary. Secondary segment reporting is performed on the basis of the geographical location of customers.

The company is domiciled and principally operates in India. The amount of its revenue from external customers specified by location of customers are presented in below table:

Particulars	March 31, 2025	March 31, 2024
Outside India		
`- United Kingdom	5,729	418
`- Spain	872	1,320
`- USA	938	-
`- Ireland	10,821	-
`- Australia	315	-
Within India	5,482	17,267
Total	**24,157**	**19,006**

The company recognises revenue from transfer of goods and services at a point of time and there are no contracts where revenue to be recognized over a period of time.

The CODM primarily uses the following measure to assess to performance of the operating segments.

	March 31, 2025	March 31, 2024
EBITDA	17,658	(23,714)

The CODM reviews the company as one reportable segment and hence no further segregation has been made.

Revenue from major customers are as follows:

Customer	March 31, 2025		March 31, 2024	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	8,821	37%	11,945	63%
Customer 2	5,167	21%	5,323	28%

30 Earnings per share

	March 31, 2025	March 31, 2024
Earnings per share (basic and diluted)	(2.06)	(4.69)

Reconciliation of earnings used in calculating earnings per share	March 31, 2025	March 31, 2024
Loss attributable to the equity share holders	(96,093)	(1,49,166)

Weighted average number of shares used as denominator	March 31, 2025	March 31, 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	**46,700**	**31,828**
Share held at the beginning of the year	42,618	27,159
Shares issued during the year	4,082	4,669

Date	No.of days	No of shares	weighted average
June 6, 2024	298	50,00,000	40,82,192

4,082

	March 31, 2025	March 31, 2024
Adjustments for diluted earnings per share	-	-
(The company does not hold any potential equity shares for dilution)		
Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted earnings per share	46,700	31,828

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

31 Lease

(i) Lease commitments as lessee

The company has entered into agreements with lessors for taking factory and office premises on lease. The lease term is for a period of 10 years with escalation of 5% p.a.in the lease agreement of premises. Measurement of right-of-use assets and lease liabilities are calculated based on the fixed lease rentals payable under the lease agreements and component towards maintenance and any variable payments are excluded.

Particulars	Total
At March 31, 2023	**2,98,301**
Additions	63,432
Interest expense on lease liabilities	35,184
Payments	(48,674)
Other Non-cash adjustments	(91,703)
At March 31, 2024	**2,56,540**
Additions	-
Interest expense on lease liabilities	33,637
Payments	(51,109)
Other Non-cash adjustments	10,673
At March 31, 2025	**2,49,741**

	March 31, 2025	March 31, 2024
Current	11,328	5,556
Non-current	2,38,414	2,50,983
Total	**2,49,742**	**2,56,539**

(ii) The incremental borrowing rate of 10.00% p.a. has been applied to lease liabilities for premises recognised in the balance sheet.

(iii) The following are the amounts recognised in the statement of profit and loss :

Particulars	March 31, 2025	March 31, 2024
Depreciation of right-of-use assets (refer note 20)	38,396	38,399
Interest expense on lease liabilities (refer note 22)	33,637	35,184
Finance guarantee expense on lease liability	10,673	14,928

(iv) The total cash outflow for leases, including interest, for the year is ₹ 51,109

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

32 Financial ratios

	Numerator	Denominator	March 31, 2025	March 31, 2024	Deviation (%)	Reasons for the Deviation
Current ratio (A/B) (times)	Current assets (A)	Current liabilities (B)	1.30	0.52	148%	Note-1
Debt-equity ratio (A/B) (times)	Total debt (A)	Shareholders' equity (B)	1.02	0.79	29%	Note-2
Debt service coverage ratio (A/B) (times)	(A) Earnings available for debt service	(B) Debt service	0.32	(0.23)	241%	Note-3
Return on equity (A/B) (%)	(A) PAT	(B) Average shareholders' equity	-31%	-55%	42%	Note-4
Inventory turnover ratio (A/B) (times)	(A) Turnover	(B) Average inventory	5.61	6.04	-7%	*Since the deviation is below 25%, reasons are not applicable*
Trade receivables turnover ratio (A/B) (times)	(A) Net credit sales	(B) Average accounts receivables	7.67	6.75	14%	
Trade payables turnover ratio (A/B) (times)	(A) Net credit purchases	(B) Average trade payables	0.57	0.10	498%	Note-5
Net capital turnover ratio (A/B) (times)	(A) Turnover	(B) Working capital	0.98	(0.81)	221%	Note-6
Net profit ratio (A/B) (%)	(A) Net profit/(loss) after tax	(B) Net sales	-398%	-785%	49%	Note-4
Return on capital employed (A/B) (%)	(A) Earnings before interest and tax	(B) Capital employed	-9%	-16%	44%	Note-7
Return on investment (A/B) (%)	(A) Earnings from investments	(B) Total investments	NA	NA	NA	Note-8

Notes: Reasons for the deviation are provided in cases where the deviation is greater than 25% compared to previous year.
1. The increase in current ratio is due to increase in current asset (government grant receivable)
2. Debt-Equity Ratio has increased due to reduction in Shareholders' equity
3. Debt-Service Coverage Ratio has increased due to increase in earnings available for debt service and reduction of debt service
4. ROE and NP ratio is negative but improved due to decrease in losses during the year.
5. Trade payables turnover ratio has increased due to increase in purchases during the year.
6. Net capital turnover ratio has increased due to increase in net working capital during the year.
7. ROCE is negative but improved due to increase in EBIT during the year.
8. ROI is not applicable as the company does not hold any financial investments nor earned any investment income during the year

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

33 Net debt reconciliation

Particulars	March 31, 2025	March 31, 2024
Cash and cash equivalents	4,788	2,765
Current borrowings (Inter-company loans)	39,000	4,000
Non-current borrowings (including current maturities)	-	-
Lease liabilities	(2,49,742)	(2,56,539)
Net debt	**(2,05,954)**	**(2,49,774)**

Particulars	Other assets	Liabilities from financing activities				Total
	Cash and cash equivalents	Lease obligations	Non-current borrowings	Current borrowings (Working capital loans)	Current borrowings (related party loans)	
As at March 31, 2023	**23,189**	**(2,98,301)**	**(24,824)**	**-**	**-**	**(2,99,937)**
Cashflows	(20,424)	-	-	-	-	(20,424)
Acquisition of leases/ new borrowings	-	(63,432)		-	4,000	(59,432)
Foreign exchange adjustments	-	-		-	-	-
Repayments	-	13,490	24,824	-	-	38,314
Interest expense	-	(35,184)	(6,201)	-	(214)	(41,599)
Interest paid	-	35,184	6,201	-	214	41,599
Other Non-cash adjustments:	-	91,703		-	-	91,704
As at March 31, 2024	**2,765**	**(2,56,540)**	**-**	**-**	**4,000**	**(2,49,774)**
Cashflows	2,023	-	-	-	-	2,023
Acquisition of leases/ new borrowings	-			-	35,000	35,000
Foreign exchange adjustments	-	-		-	-	-
Repayments	-	17,472	-	-	-	17,472
Interest expense	-	(33,637)	-	-	(1,352)	(34,989)
Interest paid	-	33,637	-	-	1,352	34,989
Other Non-cash adjustments:	-	(10,673)		-	-	(10,673)
As at March 31, 2025	**4,788**	**(2,49,742)**	**-**	**-**	**39,000**	**(2,05,953)**

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

34 There are no assets pledged as security for current and non-current borrowings

35 **Additional regulatory information required by Schedule III**

(i)Tittle deeds of Immovable properties not held in name of the company.

The title deeds of all the leased immovable properties of the company shown under the Right of Use Asset (ROU) schedule [Refer note 5(ii)] are held in the name of the company.

(ii)Fair value of Investment property

The company does not own any investment property.

(iii) Revaluation of PPE or intangible assets

The company has not revalued its Property, plant and equipment(including Right of use asset) or intangible assets during the current or previous year. Further there is no Capital work in progress (CWIP) and intangible asset under development (IAUD)

(iv)Loans to Promoters /Directors / KMPs and Related Parties

The Company has not granted any Loans or Advances in the nature of loans to Promoters /Directors / KMPs and Related Parties during the year therefore disclosure under this heading is not applicable.

(v) Details of benami property held:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(vi) Borrowings obtained

The borrowings obtained by the Company during FY 23-24 from bank have been applied for the purposes for which such loans were taken. During FY 24-25 there were no borrowings obtained from Banks.

(vii) Willful defaulter:

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(viii) Relationship with struck off companies:

The company has no transactions with the companies struck off under companies Act, 2013 or Companies Act, 1956.

(ix) Charges with ROC

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

(x) Ratios

It has been seperately reported under Note-32

(xi) Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous financial period.

(xii) Utilisation of borrowed funds and share premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xiii) Income surrendered or disclosed

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the income tax act, 1961, that has not been recorded in the books of account.

(xiv) Crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xv) Any material foreseeable losses on long-term contracts, any derivative contracts

The company was not required to recognise any provision as at March 31, 2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The company did not have any derivative contracts as at March 31, 2025.

(xvi) Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility are not applicable to the Company.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(All amounts are in ₹ (in thousand) unless otherwise stated)

36 Dues to micro and small enterprises

The identification of the micro, small and medium enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006" is based on management's knowledge of their status. The Company has following dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

Particulars	March 31, 2025	March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	-
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	45	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	4	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

37 Previous year's figures have been reclassified/regrouped wherever necessary to confirm to current year presentation.

38 The financials statements were approved for issue by the Board of Directors on 11/08/25

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
Membership No.: 243971
Place: Bengaluru
Date: 11/08/25

For and on behalf of the Board of Directors of
Koppal Toys Molding COE Private Limited

Dinesh Iyer
Director
DIN-09515485
Place: Belagavi
Date: 11/08/25

Harish Bang
Director
DIN-08383723
Place: Belagavi
Date: 11/08/25

Smita Harish Bang
Company Secretary
M No: A45081
Place: Belagavi
Date: 11/08/25

Koppal Toys Molding COE Private Limited

Non-Statutory Details

Of

Koppal Toys Molding COE Private Limited

For the year ended

31st March 2025

Koppal Toys Molding COE Private Limited
Balance Sheet as at March 31, 2025
(All amounts are in ₹ unless otherwise stated)

Particulars	As at 31-03-2025
1 Outsourced manpower cost	
IRC Industrial Resource Centre	58,50,256
Provision For Expenses External	3,37,850
Provision For Expenses Related Party	-5,08,510
	56,79,596
2 Testing Charges	
Modern Testing Services India	1,40,000
	1,40,000
3 Insurance	
Prepaid Expenses Current Ace Posting	11,32,197
General Insurance	61,162
	11,93,360
4 Power and Fuel	
Aequs SEZ Private Limited	1,26,32,227
Provision For Expenses External	-1,06,945
Provision For Expenses Related Party	-1,28,754
Maintenance General	-5,84,284
	1,18,12,244
5 Repairs and maintenance : Plant and machinery	
Jaya Engineers	12,800
	12,800
6 Repairs and maintenance : Buildings	
ASG Energy Solutions Private	20,000
Dusters Total Solutions Services	5,94,381
Provision for Expenses External	6,000
Provision for Expenses Related Party	-5,32,284
Guardwell Prime Services Private	8,39,625
Subcontract Skilled Resources	-60,000
Aequs SEZ Private Limited	83,56,341
Generator Facility Charges	5,84,284
PCI Pest Control Pvt Ltd	1,13,536
	99,21,882
7 Repairs and maintenance : Others	
Vaidyanatheshwara Instruments	7,988
Aequs SEZ Private Limited	16,909
Shreya Fire and Safety	5,600
Prepaid Expenses Current Ace Posting	6,838
Shanthala Power Limited	24,780
	62,115
8 Legal and Professional fees	
Prepaid Expenses Current Ace Posting	6,537
Acer Tax And Corporate Services LLP	39,500
Atul Joshi Associates	19,685
BDO Valuation Advisory LLP	1,05,000
Catanveer Munshi	29,000
Fedex Securities Private Limited	25,000
Greytip Software Pvt Ltd	32,435
Link Intime India Private Limited	5,000
Muniraju G	43,175
Prathibha Priya and Associates	53,700
Provision For Expenses External	2,40,137
Provision For Expenses Related Party	-5,75,199
Thanawala Consultancy Services	25,300
Eurofins Assurance India Priva	98,343
Nichrome Testing Laboratory	27,500
Ul India Private Limited	16,831
Giffi Ltd	3,38,641
	5,30,585

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Koppal Toys Molding COE Private Limited
Balance Sheet as at March 31, 2025
(All amounts are in ₹ unless otherwise stated)

Particulars	As at 31-03-2025
17 Net foreign exchange loss /(gain)	
Giffi Ltd	588
Haitian Huayuan (HK) Limited	-10,55,535
New Leader Battery Limited	1,069
Omnia Technologies Limited	49
Axis Bank CA 9011 (O)	40,02,863
Unrealised Gain/Loss Trade Payable Recon	-28,86,004
	63,029
18 Bank Charges	
Axis Bank CA 9011 (O)	46,655
Canara Bank CA 6552 (I)	-1,669
Canara Bank CA 6552 (O)	3,199
China Industries Ltd T/A Wow Stuff	11,688
Golden Bear Products Ltd	8,116
	67,988
19 Miscellaneous expenses	
Aequs SEZ Private Limited	1,14,800
	1,14,800
20 Trade receivables	
Aequs Toys Private Limited-Sez Unit	14,08,849
Golden Bear Products Ltd	19,88,140
Trade Receivable Inter Comp (Manual)	-12,658
Unrealised Gain/Loss Trade Receivable Recon	5,601
	33,89,933
21 Statutory dues payable	
PF Employee Contribution Payable	15,221
PF Employer Contribution Payable	16,305
Professional Tax Payable	1,000
TDS	
Sec 192	17,309
Sec 194 A	42,544
Sec 194C	27,641
Sec 194IA	136
Sec 194IB	4,35,871
Sec 194J	2,670
Sec 194Q	52
	5,58,749
22 Capital advances	
Canares Automation Pvt Ltd	2,40,160
Cognovit Power Solutions Pvt Ltd	3,06,000
Hindustan Agri Business Pvt Ltd	4,14,590
Krishn Electricals	11,86,261
Micron Engineering Services Inc	14,22,904
Pm Square Industrial Needs	1,17,900
Shree Dhaneshwari Engineers	1,32,000
Shreeyuktha Machine Tools	5,38,953
	43,58,769

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Computation of Total Income & Tax Liability

Koppal Toys Molding COE Private Limited

Client Name	Koppal Toys Molding COE Private Limited
Date of Incorporation	16-Aug-21
Type of Company	Indian Company
Company Status	Resident

PAN	AAICK9590N
AO Code/Range	
FY	2024-25
AY	2025-26

Particulars		**Amount in INR**	**Amount in INR**
Profits & Gains from Business or Profession	Annexure 1		(8,86,44,378)
Income from Other Sources	Annexure 2		2,33,000
Unabsorbed Depreciation carried forward		-	
Business Loss carried forward		-	
Gross Total Income			**(8,84,11,378)**
Deduction under Chapter VIA			
- Under section 80G		-	
- Under section 80-IA		-	-
Total Taxable Income at normal tax rate			**(8,84,11,378)**
Total Taxable Income at special tax rate of 20%			-
Total Taxable Income before set off of loss			**(8,84,11,378)**
Brought borward Unabsorbed depreciation			
Total Taxable Income after setoff of loss			**(8,84,11,378)**
Tax Rate u/s 115BAB	**15%**		
Tax Liability, higher of Base Tax and MAT			-
Surcharge	10%		-
Health and Education Cess	4%		-
Total tax, surcharge & cess payable			-
Set off of MAT Credit of earlier years			-
Taxes Deducted at source	Form 26AS		1,06,000
Taxes Collected at source	Form 26AS		-
Foreign Tax Credit			-
Sub Total			-1,06,000
Advance Tax paid			-
Sub Total			-1,06,000
Interest under section 234A		-	
Interest under section 234B		-	
Interest under section 234C		-	-
Sub Total			**-1,06,000**
Self Assessment Tax paid			
Balance Tax Payable./ (refundable)			**-1,06,000**

Koppal Toys Molding COE Private Limited

	Profit & Gains from Business or Profession			
Koppal Toys Molding COE Private Limited				
AY 2025-26				**Annexure 1**
	Particulars		**Note No**	**Amount in ₹**
Net Profit before Tax as per Profit & Loss Account				**(9,17,33,500)**
Less: Income to be considered under "Other Sources"				
1	Interest on IT Refund			15,000
2	Interest income from bank deposits			2,18,000
3	Government grant income			2,49,96,397
Sub Total				**2,52,29,397**
Add:		**Section Code**	**Note No**	**Amount in INR**
1	Depreciation as per Companies Act, 2013	32		6,98,02,500
2	Provision for compensated absences/leave encashment	43B		2,29,700
3	Provision net of reversal for bonus	43B		1,79,478
4	Employers contribution to PF/ESI etc. not paid till ROI due date	43B		-
5	Provision net of reversal for gratuity	40A(7)		1,93,032
6	Disallowance U/s 40(a)(ia)-Payment to Resident @ 30%	40(a)(ia)		4,80,481
7	Disallowance U/s 40(a)(i)-Payment to Resident @ 100%	40(a)(i)		-
8	Contribution to Medical Relief Fund u/s 40A(9)	40A(9)		-
9	Contribution to Death Relif Fund			-
10	Interest expense on delayed payment to micro enterprises and small enterprises			4,000
11	Share issue expenses	37		-
12	Employees' contribution to PF/ESI etc. paid after prescribed date u/s 36(1)(va)	36(1)(va)		-
13	Financial guarantee Expense (Ind-AS Notional)	37		1,06,73,000
14	Effective Interest Expense (Ind-AS Notional)	37		-
15	Interest on IT	37		-
16	Interest expenses on refundable deposit	37		-
17	Interest expense on lease liabilities	37		3,36,37,000
18	CSR Expenditure	37		-
19	Provision for slow moving inventory	37		7,41,129
Sub Total				**11,59,40,320**
Less:		**Section Code**		**Amount in**
1	Depreciation as per the Income-tax Act, 1961	32		3,35,47,370
2	Compensated absences/leave encashment disallowed in earlier years, now allowed on payment basis/Reversal	43B		3,66,753
3	Bonus disallowed in earlier years, now allowed on payment basis/Reversal	43B		1,79,478
4	Payment of Gratuity	40A(7)		3,42,716
5	TDS disallowed in AY 2023-24 now allowed on payment basis/reversal	40(a)(ia)		5,76,689
6	TDS disallowed in AY 2023-24 now allowed on payment basis/reversal	40(a)(i)		-
7	Unwinding of discount on security deposit ((Ind-AS Notional)	28		15,00,000
8	Amortisation of deferred income			-
9	Actual Lease Payments			5,11,08,795
Sub Total				**8,76,21,801**
	Profits & Gains from Business or Profession before set-off of losses			**(8,86,44,378)**
	Less: brought forward Depreciation Loss set off			-
Profits & Gains from Business or Profession				**(8,86,44,378)**

Koppal Toys Molding COE Private Limited

Income from Other Sources			
Koppal Toys Molding COE Private Limited			
AY 2025-26			
			Annexure 2
	Particulars	**Note No**	**Amount in ₹**
1	Interest on IT Refund		15,000
2	Interest income from bank deposits		2,18,000
	Total		**2,33,000**

Koppal Toys Molding COE Private Limited

Attachment I Part 2

Tax Rate Opted 15%
No Additional Depreciation

Clause 18 - Particulars of depreciation allowable as per the section 32 of the Income-tax Act, 1961 for the previous year ended March 31, 2025

(Amount in Rupees)

Particulars	Rate of depreciation (percen	Written down value as on 'April 1, 2024	Cost of additions put to use for		Sale proceeds	Government Grant Adjustment	Exchange (gain)/loss		Exchange (gain)/loss total	Total additions	Depreciable value of assets as on 'March 31, 2025	Depreciation			Written down value as on 31 March 2025
			more than 180 days	less than 180 days			more than 180 days	less than 180 days				Normal Depreciation	Additional Depreciation	For the year 2024-25	
1	2	3	4	5	6		7A	7B	7C	7D = (4+5-6+7C)	8	9	10	11 = (9+10)	11 = (8-11)
Block A Plant & Machinery	15%	21,25,25,047		2,55,667	-	6,77,47,952	- -	-	-	2,55,667	14,50,32,762	3,18,97,932		3,18,97,932	11,31,34,830
Block B Furniture & Fixtures	10%	49,34,650			-		-	-	-	-	49,34,650	4,93,465	-	4,93,465	44,41,185
Block C Computers (Including Software)	40%	28,18,128			-		-	-	-	-	28,18,128	11,27,251	-	11,27,251	16,90,876
Block D Buildings	10%	-	2,87,221	-	-		-	-	-	2,87,221	2,87,221	28,722	-	28,722	2,58,499
Grand total		22,02,77,825	2,87,221	2,55,667	-		-	-	-	5,42,888	15,30,72,761	3,35,47,370	-	3,35,47,370	11,95,25,390

Koppal Toys Molding COE Private Limited

Assessment year	Bussiness Loss	Depreciation Loss	Total Loss
2022-23	16,01,127	-	16,01,127
2023-24	3,92,67,210	2,09,23,927	6,01,91,137
2024-25	7,22,10,068	3,99,18,034	11,21,28,102
2025-26	5,48,64,007	3,35,47,370	8,84,11,378
Total	**16,79,42,412**	**9,43,89,331**	**26,23,31,744**

Kopal Toys Molding COE Private Limited

Management Representation Letter

Date: 11/08/25

M/s. K G Acharya & Co.,
Chartered Accountants
No. 14, Girl School Street, Kumarapark West,
Seshadripuram, Bangalore – 560 020

Dear Sirs,

Re: Audit of financial statements as at and for the year ended March 31, 2025

This representation letter is provided in connection with your audit of the financial statements of M/s Koppal Toys Molding COE Private Limited ("the Company") for the year then ended March 31, 2025. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Company as of March 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance the Indian Accounting Standards specified under section 133 of the Companies Act 2013 ("the Act").

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, which involves an examination of the accounting system, internal financial control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 31st March 2025, for the preparation of the financial statements in accordance with Ind AS as specified under Section 133 of the Companies Act, 2013.

2. The Company's Board of Directors have fulfilled their responsibility for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Ind AS, and are free of material misstatements, including omissions. We have prepared the financial statements and the same have been approved by the Board of Directors.

3. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Koppal Toys Molding COE Private Limited

3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistle blowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company.

4. There were no instances of fraud resulting in a material misstatement to the Company's financial statements and any other fraud that does not result in a material misstatement to the Company's financial statements but involves senior management or management or other employees who have a significant role in the Company's internal financial controls.

5. We are aware, in accordance with Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014, that the Board is required to consider the report of the auditor and respond on the matter reported within 45 days of the date of the report of the auditor. We have not withheld from you any relevant information that we are aware of and would have an implication on the process of your responsibilities to report fraud under the statute.

C. Compliance with Laws and Regulations

1. We are not aware of any actual or suspected non-compliance with laws and regulations which can have a material impact in the preparation of the financial statements.

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance or deficiencies in financial reporting practices, except matters of routine, normal, recurring nature none of which involves any allegations of non-compliance with laws or regulations that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

3. To the best of our knowledge and belief, the Company has not made any improper payments or payments which are illegal or against any regulations.

4. The Company has complied with all aspects of contractual agreements which could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

   a. Access to all information, on a timely basis, of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

   b. Additional information that you have requested from us for the purpose of the audit;

   c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and

   d. All the required support to discharge your duties as auditors.

Koppal Toys Molding COE Private Limited

E. ACCOUNTING POLICIES:

1. The accounting policies followed in preparation of financial statements are in accordance with Ind AS.

2. The accounting policies and practices which are material or critical in determining the results of operations for the year or financial position are disclosed in the financial statements. These accounting policies are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis.

3. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

F. REGISTERS, MINUTES AND CONTRACTS:

1. The Minutes of the meetings of the Shareholders and Directors and the Registers required to be maintained under the Companies Act are complete and authentic.

2. We have made available to you all significant registers, contracts and agreements. Further we have made available to you all minutes of the meetings of shareholders, directors and committees of directors held through April 1, 2025 to the most recent meeting.

3. All matters required to be recorded in the registers and minute books of the Company have been, and are, recorded correctly.

4. The company do not have any outstanding borrowing or debt apart from the ones disclosed in the financial statements.

G. OWNERSHIP AND PLEDGING OF ASSETS:

The Company has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Company's assets, nor has any asset been pledged as collateral, other than those that are disclosed in financial statements. All assets to which the Company has satisfactory title appear in the balance sheet.

There are no instances of proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

H. RELATED PARTY DISCLSOURES:

1. We confirm the completeness of the list of related parties and relationships as stated in Note 27 of the financial statements, and information provided regarding the identification of such related parties. We have disclosed to you the identity of the Company's related parties and all related parties and related party transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements in accordance with Ind AS - 24 'Related Party Disclosures'

2. We confirm the completeness of related party transactions recorded during the year and that all related party balances as at March 31, 2025 as disclosed in the financial statements have been reconciled and confirmed by the respective parties. We confirm that no adjustment is required to any related party balances as at the year end.

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3. The Company has obtained necessary approvals in respect of all transactions or contract or arrangement with related parties, in accordance with relevant provisions of the Act, wherever applicable.

I. PROPETY, PLANT AND EQUIPMENTS & INTANGIBLES:

1. The additions during the year are recorded at cost and include all capital expenditure to Property, Plant and Equipment, but do not include expenditure properly chargeable to revenue. The Capitalization during the year is in accordance with Ind AS - 16. No material amounts representing additions or improvements of a capital nature are charged to expense accounts.

2. The net book value is arrived at after making above adjustments and providing depreciation and amortization for the period bases on the estimated useful lives of the Property, Plant and Equipment. Intangibles are amortized on a systematic basis over the best estimate of its useful life.

3. The useful life of Property, Plant and Equipment as considered, wherever is different from those prescribed in Schedule II to the Act, are based on technical evaluation carried out by the Company.

4. The Property, Plant and Equipment have not been revalued during the year.

5. The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

6. Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

7. No events or changes in circumstances have occurred that indicate the carrying amounts of Property, Plant and Equipment and intangibles may not be recoverable. Property, Plant and Equipment and intangibles have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. Accordingly, there is no impairment loss arising during the year.

8. There has been no disposal of Property, Plant and Equipment during the year.

9. We confirm that the dates of capitalization of assets as appearing in the Property, Plant and Equipment register are dates on which assets were ready for use by the Company.

J. TRADE RECEIVABLES, OTHER ASSETS AND LOANS AND ADVANCES:

1. Receivables represent valid claims for sales upto and including March 31, 2025

2. Adequate provision has been made for allowances, losses, returns, discounts, costs, and expenses that may be incurred subsequent to the date of Balance Sheet in respect of sales and services rendered prior to that date and for uncollectible/irrecoverable accounts.

3. Current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet.

4. The Company has not directly or indirectly, advanced any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested, as explained in section 185 of the Companies Act, 2013, or give any guarantee or provide any security in connection with any loan taken by him or such other person.

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5. The Company has not given any loan or guarantee to any person or other body corporate as covered under section 186 of the Companies Act, 2013 other than as disclosed in the financial statements.

6. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

7. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

8. Management of the Company is reasonably confident that the balance with statutory/ government authorities will be received or utilized in due course and adequate provision has been made for unrecoverable balances.

9. We confirm the correctness of ageing of trade receivables based on due dates as at March 31, 2025.

10. To the best of our knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of the audit report, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11. To the best of our knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of the audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

K. SHARE CAPITAL:

1. The Company has not granted any options, warrants or conversion rights in respect of the Company's capital.

2. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 189 of the Companies Act, 2013.

3. The Company has not raised any money through public issue the year.

4. We confirm that there are no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

L. BORROWINGS:

1. The Company has not issued any debentures. There have been no defaults with respect to repayment of principal and payments of interest, in respect of borrowings.

M. TRADE PAYABLES AND OTHER LIABILITIES:

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

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2. Undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities. We confirm that we were regular during the year in depositing the statutory dues.

3. The Company has recovered the requisite Goods and Service Tax on all sales made during the year. The taxes/ duty collected have been duly paid to the prescribed authorities and proper returns have been regularly filed. The Company has also provided for all determinable liabilities under Finance Act.

4. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, Goods & Service tax, customs duty, excise duty, value added tax, cess, and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

5. There are no amounts which are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

6. There are no amounts of sales tax, income tax, customs duty, wealth tax, Goods & Service tax, excise duty, value added tax and cess which have not been deposited by us on account of any dispute.

N. PROVISIONS, CONTINGENT LIABILITIES AND COMMITMETS:

1. The Company has provided for Income-tax in respect of its assessable incomes up to and for the year March 31,2025 in terms with the Ind AS Standard 12 – Income Taxes. Demands arising from assessments which are the subject matters of appeals, where the liability is considered possible by the management, have been shown as Contingent Liabilities in the financial statements.
2. The Company has recognized deferred tax assets in presence of virtual certainty supported by convincing evidence.
3. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting for potentially material matters.
4. We have informed you of all outstanding and possible litigation and claims. All cases where outflow of economic resources is possible have been appropriately disclosed in the financial statements as contingent liabilities and we are not aware of any other such contingent liabilities.
5. All claims where outflow of economic resources is probable or possible have been properly accrued or disclosed respectively in the financial statements. No other claims in connection with litigation have been or are expected to be received.
6. All contingent liabilities have been appropriately disclosed in the accounts and we are not aware of any other contingent liabilities.
7. The Company has not given any guarantees for loans taken by others from bank or financial institutions.
8. There are no non-cancellable commitments, which are either material to the financial statements or are relevant in understanding the financial statements or may impact the decision making of the users of the financial statements.
9. The Company has undertaken necessary steps to comply with the transfer pricing regulations and the management is of the opinion that the international transactions and specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact of the financial statements, particularly on the amount of tax expense and that of provision for tax.

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O. STATEMENT OF PROFIT & LOSS:

1. All materials transactions have been adequately disclosed and full provision has been made in the financial statements for all claims and losses of material amount which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet, including losses resulting from forward purchase and/or sale contracts.

2. No personal expenses have been charged to revenue accounts.

3. The Company has had no relationship with struck off companies during the year.

4. The transactions of the company which are represented merely by book entries are not prejudicial to the interests of the company.

P. GENERAL:

1. The Company has determined its operating cycle to be twelve months.

2. All disclosures as required by MSMED Act relating to Micro, Small and Medium enterprises have been appropriately disclosed in the financial statements. Payments to Micro, Small and Medium undertakings have been made within the prescribed time limit/date agreed upon with the supplier and hence no interest is payable for delayed payments.

   Further, the company has a system in place at the time of vendor onboarding to identify the vendors who are registered under the MSMED Act.

3. We believe that the significant assumptions we used in making accounting estimates, are reasonable.

4. We confirm that none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act and the written representation received from all the directors in respect of the same have been taken on record by the Board of Directors.

5. There are no derivative transactions entered into by the Company during the year.

6. We confirm the correctness and completeness of amounts disclosed under CIF value of imports, expenditure in foreign currency, earnings in foreign currency, operating lease, un-hedged foreign currency exposure, imported/indigenous consumption and broad category disclosure in respect of sales, purchase and inventories.

7. We agree with the findings of the experts engaged to evaluate the relevant financial statement assertions and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

8. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfilment of, or inability to fulfil, sales commitments, etc.)

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9. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.

10. The Company has taken back-up of the books of accounts and other books and papers of the company maintained in electronic mode, including at a place outside India, in servers physically located in India, on a daily basis during the year.

11. Audit Trail

- We acknowledge that it's our responsibility to establish and maintain adequate controls for identifying, maintaining, controlling, and monitoring audit trails consistent with the requirements of Companies Act 2013.

- Adequate access controls were designed & implemented to maintain and monitor the audit trail of all the transaction.

- We have performed an evaluation and assessed the adequacy and effectiveness of the Company's procedures for complying to the following:
    - The accounting software used by the Company records audit trail for every transaction.
    - Such software also captures the edit log of each change made in the books of account along with the date when such changes were made.

- The audit trail feature was adequate and was operating effectively throughout the financial year and it was not disabled at any point of time.

- Based on our evaluation, there were no instances resulting in tampering of audit trail feature

- The audit trail been preserved by the company as per the statutory requirements for record retention

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Q. SUBSEQUENT EVENTS:

1. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the financial statements.

2. No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company.

R. Government Grant

1. We have not misrepresented any facts or provided any false information in applying for or obtaining these government grants.
2. All conditions stipulated in the sanction orders for rent subsidy and capital subsidy have been fully complied with by the Company.
3. The Company has met all eligibility criteria, and there is reasonable certainty that the sanctioned grants will be received in full.
4. There are no known circumstances, events, or conditions that could result in the denial, withdrawal, or reduction of the sanctioned grant amounts.
5. The Company is currently in production, and no assets related to the subsidies have been disposed of, removed, or transferred without obtaining prior approval from the relevant authorities.
6. The release of subsidy amounts will be subject to the availability of funds with the Government, and may be disbursed partly or fully, as per the sanction orders.
7. The Company has recognized the grant income in its books in accordance with the applicable requirements of Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance.
8. We acknowledge our responsibility for the proper recognition, measurement, and disclosure of these government grants in the financial statements.

Yours faithfully,

For M/s Koppal Toys Molding COE Private Limited

Harish Bang	**Dinesh Venkatachalam Iyer**	Koppal Toys Molding COE Private Limited
Director	Director	
DIN: 08383723	**DIN: 09515485**	

K.G. ACHARYA & CO.,
Chartered Accountants

27th June 2025

The Board of Directors of
M/s Koppal Toys Molding COE Private Limited
No.55, Whitefield Main Road, Mahadevapura Post
Bangalore -560048
Karnataka, India

Dear Sir,

Subject: Audit Engagement Letter for Audit of Financial Statements as at March 31, 2025 under the Companies Act 2013 and the Rules hereunder.

We refer to your proposal for appointment of our firm as Statutory Auditors of M/s Koppal Toys Molding COE Private Limited (the 'Company'). You have requested that we audit the financial statements of the Company as defined in Section 2(40) of the Companies Act, 2013(2013 Act'), for the period ended 31st March 2025. The financial statements of the Company include Balance sheet as at 31st March 2025, Statement of Profit and Loss, Statement of Changes in Equity for the period then ended and summary of material accounting policies and other explanatory notes forming part of the financial statements for the period ended 31st March 2025. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion if the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required, and give a true and fair view in conformity with the applicable accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025 and its profit/loss and its cashflows for the year ended on that date.

We will conduct our audit in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed by the Central Government in accordance with Section 143(10) of Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, including the possibility of collusion or improper management override of controls, there is an unavoidable risk that material misstatements due to fraud or error may occur and not be detected, even though the audit is properly planned and performed in accordance with the SAs. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

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subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our audit will be conducted on the basis that the Management and those charged with governance acknowledge and understand that they have the responsibility for:

a. The preparation of financial statements that give a true and fair view in accordance with the applicable Financial Reporting Standards and other generally accepted accounting principles in India. This includes:

    (i) Compliance with the applicable provisions of the 2013 Act;
    (ii) Proper maintenance of accounts and other matters connected there with
    (iii) The responsibility for the preparation of the financial statements on a going concern basis;
    (iv) The preparation of the annual accounts in accordance with, the applicable accounting standards and providing proper explanation relating to any material departures from those accounting standards;
    (v) Selection of accounting policies and applying them consistently and making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
    (vi) Taking proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
    (vii) Testing of documentary evidence supporting the transactions recorded in the accounts, tests of physical inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel, and banks.
    (viii) Laying down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
    (ix) Devising proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

b. Identifying and informing us of financial transactions or matters that may have any adverse effect on the functioning of the Company.

c. Identifying and informing us of:

    (i) All the pending litigations and confirming that the impact of the pending litigations on the Company's financial position has been disclosed in its financial statements.
    (ii) All material foreseeable losses, if any, on long term contracts including derivative contracts and the accrual for such losses as required under any law or accounting standards; and
    (iii) Any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d. Informing us of facts that may affect the financial statements, of which Management may become aware during the period from the date of our report to the date the financial statements are issued.

e. Identifying and informing us as to whether any director is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the 2013 Act. This should be supported by written representations received from the directors as on 31st March 2025 and taken on record by the Board of Directors.

f. For providing us, *inter alia*, with:

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

(i) Access, at all times, to all information, including the books, accounts, vouchers and other records and documentation of the Company, whether kept at the Head Office or elsewhere, of which the Management is aware that are relevant to the preparation of the financial statements such as records, documentation and other matters. This will include books of account maintained in electronic mode;

(ii) Access to reports, if any, relating to internal reporting on frauds (e.g., vigil mechanism reports etc.), including those submitted by cost accountant or company secretary in practice to the extent it relates to their reporting on frauds in accordance with the requirements of Section 143(12) of the 2013 Act;

(iii) Additional information that we may request from the Management for the purposes of our audit;

(iv) Unrestricted access to persons within the Company from whom we deem it necessary to obtain audit evidence. This includes our entitlement to require from the officers of the Company such information and explanations as we may think necessary for the performance of our duties as the auditors of the Company; and

(v) All the required support to discharge our duties as the statutory auditors as stipulated under the Companies Act, 2013/ ICAI standards on auditing and applicable guidance.

As part of our audit process, we will request from the Management written confirmation concerning representations made to us in connection with our audit.

Our report prepared in accordance with relevant provisions of the 2013 Act would be addressed to the Board of Directors of the Company for the specific purpose of inclusion in the Red Herring Prospectus of its holding company Aequs Private Limited. In respect of other services, our report would be addressed to the Board of Directors. The form and content of our report may need to be amended in the light of our audit findings.

In accordance with the requirements of Section 143(12) of the 2013 Act, if in the course of performance of our duties as auditor, we have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, we will be required to report to the Central Government, in accordance with the rules prescribed in this regard which, *inter alia,* requires us to forward our report to the Board or Audit Committee, as the case may be, seeking their reply or observations, to enable us to forward the same to the Central Government.

As stated above, given that we are required as per Section 143(12) of the Act to report on frauds, such reporting will be made in good faith and, therefore, cannot be considered as breach of maintenance of client confidentiality requirements or be subject to any suit, prosecution or other legal proceeding since it is done in pursuance of the 2013 Act or of any rules or orders made there under.

We also wish to invite your attention to the fact that our audit process is subject to 'peer review' / quality review' under the Chartered Accountants Act, 1949. The reviewer may inspect, examine or take abstract of our working papers during the course of the peer review/quality review.

In terms of Standard on Auditing 720 - "The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements" issued by the ICAI and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the 2013 Act, we request you to provide to us a Draft of the Annual Report containing the audited financial statements so as to enable us to read the same and communicate material inconsistencies, if any, with the audited financial statements, before issuing the auditor's report on the financial statements.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Koppal Toys Molding COE Private Limited

Our fees for the Audit of the financial statement shall be Rs. 1,80,000 plus taxes as applicable and out-of-pocket expenses are to be reimbursed on actuals. We will notify you promptly of any circumstances we encounter that could significantly affect the mutually agreed upon fees and discuss with you any additional fees, as necessary.

We look forward to full cooperation from your staff during our audit. Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Yours faithfully,

For **M/s. K G Acharya & Co.,**
Chartered Accountants
FRN: 008019S

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
M.NO. 243971

Bangalore

Koppal Toys Molding COE Private Limited *

Acknowledged on behalf of **M/s Koppal Toys Molding COE Private Limited by**
Bangalore

Management Representation Letter

Date:

M/s. K G Acharya & Co.,
Chartered Accountants
No. 14, Girl School Street, Kumarapark West,
Seshadripuram, Bangalore – 560 020

Dear Sirs,

Re: Management Representation on Government Grant for the year ended 31st March 2025

This representation letter is provided in connection with your audit of the financial statements of **M/s. Koppal Toys Molding COE Private Limited** ("the Company") for the year then ended March 31, 2025. We confirm that the Company has received government grants during the year, relating to both capital investment and lease rental.

The grants were duly sanctioned by the relevant government authorities. All conditions specified in the respective sanction letters have been complied with, and there are no future obligations attached to it. In relation to the lease rental, we confirm sanction letter related FY 2024-25 and FY 2023-24 not yet been received, but the initial sanction letter (i.e., FY 2022-23) clearly states that the grant was approved for 3 Years. Accordingly, the Company has recognised the related grant income based on:

- The terms outlined in the initial sanction letter,
- Continued compliance with all eligibility criteria, and
- Reasonable assurance of receipt supported by past approvals and correspondence with the sanctioning authority.

Further, we confirm the following:

- The Company has not misrepresented any facts or provided any false information in applying for or obtaining these government grants.
- The Company has met all applicable eligibility criteria, and there is reasonable certainty that the sanctioned grants will be received in full.
- There are no known circumstances, events, or conditions that could result in the denial, withdrawal, or reduction of the sanctioned grant amounts.
- No subsidised assets have been disposed of or transferred without prior approval from the authorities
- The release of subsidy amounts is subject to availability of funds with the Government and may be disbursed partly or fully, as per the terms of the sanction orders.
- The Company has recognised the grant income in its books in accordance with the applicable requirements of Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance.
- We acknowledge our responsibility for the proper recognition, measurement, and disclosure of these government grants in the financial statements.

This representation is given to you in connection with your audit of the financial statements of the Company for the year ended 31st March 2025.

Yours faithfully,

For M/s Koppal Toys Molding COE Private Limited,

Koppal Toys Molding COE Private Limited

Dinesh Iyer	**Harish Bang**
Director	Director
DIN: 09515485	**DIN: 08383723**

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The Board of Directors

M/s. Koppal Toys Molding Private Limited

Bangalore.

Sub: Disqualifications under section 164 (2) of The Companies Act, 2013.

We,

1. Dinesh Iyer
2. Harish Bang
3. Suraj Hukkeri
4. Rohit Mulki Hegde

We, directors of **M/s. Koppal Toys Molding Private Limited** hereby confirm that we are not disqualified, as on 31st March 2025, from being appointed as director in terms of sub-section (2) of Section 164 of the Companies Act, 2013;

Yours faithfully,

For **Koppal Toys Molding Private Limited**

Dinesh Iyer	**Harish Bang**	**Suraj Hukkeri**	**Rohit Mulki Hegde**
Director	Director	Director	Additional Director
DIN: 09515485	**DIN: 08383723**	**DIN: 09536262**	**DIN: 02391765**

Koppal Toys Molding COE Private Limited

AEQUS
ecosystems of efficiency

The Board of Directors

M/s. Koppal Toys Molding COE Private Limited

Bangalore.

Sub: Notes to Management of Koppal Toys Molding COE Private Limited

Before signature:

1) Signed copy of Management representation letter for statutory audit.
2) Declaration stating No Directors disqualified as on March 31, 2025.

We request you to kindly acknowledge the same.

Acknowledged.

For **Koppal Toys Molding Private Limited**

Dinesh Iyer	**Harish Bang**	**Suraj Hukkeri**	**Rohit Mulki Hegde**
Director	Director	Director	Additional Director
DIN: 09515485	**DIN: 08383723**	**DIN: 09536262**	**DIN: 02391765**

Koppal Toys Molding COE Private Limited

K.G. ACHARYA & CO.,
Chartered Accountants

27th June 2025

The Board of Directors of
M/s Koppal Toys Molding COE Private Limited
No.55, Whitefield Main Road, Mahadevapura Post
Bangalore –560048
Karnataka, India

Dear Sir,

Subject: Audit Engagement Letter for Audit of Financial Statements as at March 31, 2025 under the Companies Act 2013 and the Rules hereunder.

We refer to your proposal for appointment of our firm as Statutory Auditors of M/s Koppal Toys Molding COE Private Limited (the 'Company'). You have requested that we audit the financial statements of the Company as defined in Section 2(40) of the Companies Act, 2013(2013 Act'), for the period ended 31st March 2025. The financial statements of the Company include Balance sheet as at 31st March 2025, Statement of Profit and Loss, Statement of Changes in Equity for the period then ended and summary of material accounting policies and other explanatory notes forming part of the financial statements for the period ended 31st March 2025. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion if the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required, and give a true and fair view in conformity with the applicable accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025 and its profit/loss and its cashflows for the year ended on that date.

We will conduct our audit in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed by the Central Government in accordance with Section 143(10) of Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, including the possibility of collusion or improper management override of controls, there is an unavoidable risk that material misstatements due to fraud or error may occur and not be detected, even though the audit is properly planned and performed in accordance with the SAs. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

Our fees for the Audit of the financial statement shall be Rs. 1,80,000 plus taxes as applicable and out-of-pocket expenses are to be reimbursed on actuals. We will notify you promptly of any circumstances we encounter that could significantly affect the mutually agreed upon fees and discuss with you any additional fees, as necessary.

We look forward to full cooperation from your staff during our audit. Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Yours faithfully,

For **M/s. K G Acharya & Co.,**
Chartered Accountants
FRN: 008019S

Chirag Aggarwal
Partner
M.NO. 243971

Bangalore

Acknowledged on behalf of **M/s Koppal Toys Molding COE Private Limited by**
Bangalore

Dinesh Iyer
(Group C.F.O)

Koppal Toys Molding COE Private Limited

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our audit will be conducted on the basis that the Management and those charged with governance acknowledge and understand that they have the responsibility for:

a. The preparation of financial statements that give a true and fair view in accordance with the applicable Financial Reporting Standards and other generally accepted accounting principles in India. This includes:

   (i) Compliance with the applicable provisions of the 2013 Act;
   (ii) Proper maintenance of accounts and other matters connected there with
   (iii) The responsibility for the preparation of the financial statements on a going concern basis;
   (iv) The preparation of the annual accounts in accordance with, the applicable accounting standards and providing proper explanation relating to any material departures from those accounting standards;
   (v) Selection of accounting policies and applying them consistently and making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
   (vi) Taking proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
   (vii) Testing of documentary evidence supporting the transactions recorded in the accounts, tests of physical inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel, and banks.
   (viii) Laying down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
   (ix) Devising proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

b. Identifying and informing us of financial transactions or matters that may have any adverse effect on the functioning of the Company.

c. Identifying and informing us of:

   (i) All the pending litigations and confirming that the impact of the pending litigations on the Company's financial position has been disclosed in its financial statements.
   (ii) All material foreseeable losses, if any, on long term contracts including derivative contracts and the accrual for such losses as required under any law or accounting standards; and
   (iii) Any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d. Informing us of facts that may affect the financial statements, of which Management may become aware during the period from the date of our report to the date the financial statements are issued.

e. Identifying and informing us as to whether any director is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the 2013 Act. This should be supported by written representations received from the directors as on 31st March 2025 and taken on record by the Board of Directors.

f. For providing us, *inter alia*, with:

(i) Access, at all times, to all information, including the books, accounts, vouchers and other records and documentation of the Company, whether kept at the Head Office or elsewhere, of which the Management is aware that are relevant to the preparation of the financial statements such as records, documentation and other matters. This will include books of account maintained in electronic mode;
(ii) Access to reports, if any, relating to internal reporting on frauds (e.g., vigil mechanism reports etc.), including those submitted by cost accountant or company secretary in practice to the extent it relates to their reporting on frauds in accordance with the requirements of Section 143(12) of the 2013 Act;
(iii) Additional information that we may request from the Management for the purposes of our audit;
(iv) Unrestricted access to persons within the Company from whom we deem it necessary to obtain audit evidence. This includes our entitlement to require from the officers of the Company such information and explanations as we may think necessary for the performance of our duties as the auditors of the Company; and
(v) All the required support to discharge our duties as the statutory auditors as stipulated under the Companies Act, 2013/ ICAI standards on auditing and applicable guidance.

As part of our audit process, we will request from the Management written confirmation concerning representations made to us in connection with our audit.

Our report prepared in accordance with relevant provisions of the 2013 Act would be addressed to the Board of Directors of the Company for the specific purpose of inclusion in the Red Herring Prospectus of its holding company Aequs Private Limited. In respect of other services, our report would be addressed to the Board of Directors. The form and content of our report may need to be amended in the light of our audit findings.

In accordance with the requirements of Section 143(12) of the 2013 Act, if in the course of performance of our duties as auditor, we have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, we will be required to report to the Central Government, in accordance with the rules prescribed in this regard which, *inter alia,* requires us to forward our report to the Board or Audit Committee, as the case may be, seeking their reply or observations, to enable us to forward the same to the Central Government.

As stated above, given that we are required as per Section 143(12) of the Act to report on frauds, such reporting will be made in good faith and, therefore, cannot be considered as breach of maintenance of client confidentiality requirements or be subject to any suit, prosecution or other legal proceeding since it is done in pursuance of the 2013 Act or of any rules or orders made there under.

We also wish to invite your attention to the fact that our audit process is subject to 'peer review' / quality review' under the Chartered Accountants Act, 1949. The reviewer may inspect, examine or take abstract of our working papers during the course of the peer review/quality review.

In terms of Standard on Auditing 720 – "The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements" issued by the ICAI and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the 2013 Act, we request you to provide to us a Draft of the Annual Report containing the audited financial statements so as to enable us to read the same and communicate material inconsistencies, if any, with the audited financial statements, before issuing the auditor's report on the financial statements.